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Editors

Strategies and Communications for Innovations

An Integrative Management View for Companies and Networks

Springer

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Introduction

The Purpose of This Book

> Management's job is to see the company not as it is ... but as it can become.
>
> John W. Teets (1933 –)

Scenarios represent one way to communicate future directions and can foster awareness of new ways for business development (e.g., Hill and Jones 2008; Lindgren and Bandhold 2009; Ringland 2006). However, global business today is more complex, dynamic and decentralized than ever. Strategic management in particular has to deal with the effects of globalization such as required downsizing, mergers, world-wide collaborative arrangements, inter-cultural communication networks, new forms of communication, and innovation in rapidly changing environments (e.g., Ayoko et al. 2004; Babcock and Babcock 2001; de Wit and Meyer 2005; Hitt et al. 2005; Lynch 2009; Prandelli et al. 2008). There is less room for failure in strategic decision-making, considering for instance the effects of corporate scandals that capture print and online attention very quickly. As a result, interest has been raised in communicating corporate issues (e.g., Cornelissen 2008; Ingenhoff and Röttger 2008; Oliver and Adams 2010), scenarios for business development in complex environments (e.g., Kosow and Gaßner 2008; Lindgren and Bandhold 2009), innovations and the organization behind a corporation's innovation portfolio (e.g., Daschkovska et al. 2010; Mast et al. 2005; Zerfaß and Möslein 2009).

Thus, this book covers the complexity and dynamics of world business environment today in contributing to two central research fields *strategic management of innovation and communication of innovation.*

The key term innovation implies both challenges and opportunities for organizations of all sizes. Apart from the broad spectrum of influencing factors for innovation success (e.g., Rogers 2003; Strecker 2009), innovation represents a key success factor for corporations in the twenty-first century. New forms of collaborative arrangements in product development processes, short product life

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Chapter 9
The Role of Word of Mouth in the Diffusion of Innovation

Tim Mazzarol

Contents

9.1 Innovation Diffusion

Innovation is undoubtedly a major driver of economic change and has been viewed as the key element in economic growth and the business cycle (Schumpeter 1934, 1939). The innovator who lies at the heart of this process of innovation generation has been likened to a "tool of the social relations in which he is enmeshed", with these forces motivating innovation as a survival mechanism (Sweezy 1943). The adoption and diffusion of innovation is the critical element in the successful commercialisation of new products and services. In seeking to understand how this process works it has been suggested that attention be given to the communication relationship between two or more individuals (Rogers 1976).

The reasons for this attention to the social aspects of innovation adoption and diffusion were originally explained by Tarde (1903) who observed that human society adapts and evolves as a process of imitation. According to this theory scientific knowledge is advanced through imitation in one form or another. Each new invention expands within its social environment in which its diffusion is facilitated by the social interactivity between the members of this environment.

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Imitation is found to be easier than invention amongst individuals, therefore when a new innovation is seen to be effective it is likely to be adopted and rapidly diffused within the society. The more competitive a market or society is the more likely that invention, innovation and imitation will occur (Brozen 1951).

Diffusion of inventions that turn into innovations takes place via imitation and this is typically facilitated by a process of communication in which the innovators or "emitters" transfer the invention to the wider community of adopters. Frequently there is a sociological element to the diffusion process in which the more influential members of the community serve as innovators and early adopters (Kinnunen 1996). The process of diffusion involves a series of seven distinct elements that form together to create the overall system in which the innovation is diffused. These elements include the *item* or innovation that is to be diffused, the *time* it takes to diffuse within a given community, the *adopting units* (e.g. individuals, groups, organizations), the *social structure* and *culture* found within the adopting community, the *channels of communication* through which the diffusion process is transmitted, and finally the *acceptance* of the innovation within the community (Katz et al. 1963).

The communications channels via which an innovation diffuses have been recognized as of key importance to the diffusion process with early research into the adoption of hybrid corn seed in rural Iowa demonstrating how early adopters influenced the later adopters via personal communications (Ryan and Gross 1943). Subsequent research into the role of interpersonal communication on the diffusion of new products found that exposure to positive word of mouth (WOM) enhanced the likelihood that a new product would be adopted, while negative word of mouth was likely to have the opposite effect (Arndt 1967a).

This social network theory of the diffusion of innovation has been demonstrated with the work of social geographers who have mapped the adoption of new technologies. According to this evidence the network of social communications that facilitates the diffusion of an innovation can be mapped from person to person as the local level, then community to community at the regional level and finally across regions or nations at the international level (Brown 1969). Early research into the spread of rumours through university student populations and the populations of small towns found that the spread of such rumours moved rapidly from an initial point of introduction into a community, but faded quickly without their perpetuation via the mass media (Dodd 1952).

Analysis of the diffusion rates for a range of technological innovations within the United States during the Twentieth Century (e.g. automobiles, railways, intercity buses, television sets) suggests that society can be viewed as a "huge learning system" in which individuals observe the behaviour of others and talk with each other about these behaviours. Inventions are adopted via this process of imitation and the peer group exchange of ideas and experiences. The diffusion of technological innovations was only slowed during the last century by such major social crises as the Great Depression and Second World War. These events disrupted the economic freedom of individuals and made it more difficult for certain products to become adopted (Hamblin et al. 1979).

In the view of Hagerstrand (1966) the diffusion of innovation is a function of interpersonal communication via a network of links and nodes in which the links are the channels of communication and the nodes the individuals who receive and then act on this information. Like a ripple on a pond struck by a stone, the innovation that is initiated by a given individual will spread outwards across a given population although the evenness of its diffusion is unlikely to be smooth in reality. Of importance is the structure of the society into which the innovation is to be diffused and the impact that this has on social learning (Bala and Goyal 1998). As Grubler (2000) demonstrated with his historical analysis of the diffusion of mediaeval monasteries the real impact of an innovation is dependent on the ability of sufficient adopters to be generated to enable a critical mass to form within the society. "One abbey could not transform European agriculture; 740 did" (p. 25).

Coughenour (1964) observed that three key issues are likely to impact on the rate of diffusion of an innovation within a given community. The first is the attitudes, knowledge, decision making ability and inter-personal competencies of the individuals who are choosing whether or not to adopt. In the case of farmers this may also encompass the size of their farm enterprise and the resources available to it. The second is the structure of the social relationships in which these individuals are embedded. This includes the way such social groups use and communicate information relating to new ideas and technologies and how independent their decision making is. Studies of diffusion rates in American farming communities highlight the importance of education levels and use of information media by the adopters, and the integration of the communication structure in their locality. The third issue is the nature of the innovation that is being diffused. Characteristics such as cost, complexity, concreteness, divisibility and communicability all determine how quickly diffusion can take place.

Innovations that offer the adopter enhanced benefits at a low risk and uncertainty are likely to be more quickly diffused than those that don't. High initial investment costs and slow costs of recovery of this investment may not be a significant deterrent where the adopter is sufficiently prosperous and commercially savvy (Fliegel and Kivlin 1966). Where a society is prosperous and has access to good mass media communications channels the diffusion rates of an innovation are likely to be significantly faster than in communities where the level of socio-economic disadvantage is lower and communications infrastructure limited. These more disadvantaged communities are also hampered by lower levels of education and restricted targeting by mass media (Nan and Burt 1975).

Wejnert (2002) summarised the literature relating to innovation diffusion and identified three major components critical to understanding the nature of the process (1) the characteristics of the innovation; (2) the characteristics of the innovator; and (3) the environmental context in which the innovation is seeking to diffuse. Key characteristics of the innovation are whether it has public or private consequences and the costs and benefits associated with it. Innovations with public consequences typically involve a large number of groups or organisations. This can include governments, government agencies and major organisations. They may

take on public policy debates such as the introduction of carbon trading regimes to curb greenhouse gas emissions. By contrast, innovations with private consequences typically involve individuals or small groups. The benefits and costs associated with the innovation can be either financial or non-financial in nature and include the risks and uncertainty of adoption. High costs can impede the rate of diffusion and may lead to failure of the innovation to become adopted even if it offers superior fundamental technologies.

The characteristics of the innovator include whether the innovator is a person, group or organisation, how familiar they are with the innovation, their social status and socio-economic situation, position in a social network and personal characteristics. According to Wejnert (2002) there has been relatively little research into the influence of personal characteristics on the diffusion of innovation. However, it is apparent that while the specific influences of some of these variables remains unclear, the characteristics of the innovator are important. There is also the environmental context in which the innovation is seeking to diffuse. Here the key units of analysis are the geography of the region in which the innovation is diffusing, with some locations likely to be more conducive to rapid diffusion than others. Also the nature of the social and political conditions found in the target communities. While some societies and countries are open to the adoption of new ideas and prepared to tolerate change and risk, others are more traditional and closed to such change. Finally, there is the extent to which an innovation can take advantage of uniform standards or systems across international jurisdictions. The growth of innovations such as the standard 20 ft equivalent unit (TEU) shipping container was made possible as a result of global agreements over standards (Mangan et al. 2008).

Gatignon and Robertson (1985), in their analysis of the literature relating to diffusion research to that time, proposed a conceptual model of the diffusion process occurring within a social system. This comprised three primary elements. The first of these is the social system operating within the target market. The key units of analysis within the social system are the personal characteristics of the actors within the network, the perceived characteristics of the innovation and the level of personal influence these actors might have on each other. The second element is the nature of the adoption process, with specific focus on the level of cognitive processing required by adopters (e.g. complexity and ease of understanding), as well as the level of uncertainty and risk associated with it, and how much priority the adopter places on the innovation. The third element is the diffusion process, with key units of analysis being the time, patter and spatial distribution of the innovation, as well as actual and potential rate of diffusion. As noted by Gatignon and Robertson (1985):

> "The diffusion patter at the social system level is an outcome of the distribution of individual adoption decisions. These individual adoption decisions are influenced are influenced by personal characteristics, perceived innovation characteristics, personal influence, and marketing and competitive actions. The latter also have an influence in defining the perceived innovation characteristics and affecting the personal influence process" (p. 850).

9.2 Word of Mouth and Innovation Diffusion

The role of word of mouth (WOM) as a promotional tool for new products and services has been recognised in the marketing literature for many years (Arndt 1967b), with numerous models having been developed to assess the role of WOM in the innovation diffusion process (Dodson and Muller 1978; Mahajan et al. 1990). Brooks (1957) was one of the first to note the influence of peer group on consumer purchase decisions, in particular the role of opinion leaders in word of mouth promotion. Of important is the recognition that the person giving positive WOM recommendations about a product or service is doing so without the expectation of commercial reward and therefore has credibility (Dichter 1966). Early adopters of a new product or service were noted to provide positive WOM and to have used a combination of media reports and positive WOM from other early adopters prior to deciding to trial the innovation (Engel et al. 1969). The positive relationship between advertising and WOM has been established within the marketing literature for both consumer (Day 1971; Lampert and Rosenberg 1975) and industrial markets (Martilla 1971). Moreover, while positive WOM helps to enhance the adoption of a new product, negative WOM has the opposite effect (Arndt 1967a), although the extent of this difference may be difficult to measure (Charlett et al. 1995). The severity of the dissatisfaction and the extent to which the vendor responds to the consumer's complaint with remedial action are likely to determine the level of negative WOM (Richins 1983). Consumers may also report more positive WOM about products or brands to which they have loyalty or familiarity, while giving negative WOM about those with which they have less experience (East et al. 2007).

Consumers make use of WOM as a means of reducing the perceived risk associated with a purchase decision (Roselius 1971), and frequently rely on opinion leaders within their social networks to guide their decision making (Myers and Robertson 1972). Such opinion leaders are typically early adopters of innovation and while their influence on other people should not be overstated, of importance is their credibility as an information source (Hovland and Weiss 1951). When faced with an innovation adoption decision such as the purchase of a new product, consumers make use of WOM as a mechanism to help reduce the perceived risk (Taylor 1974; Lampert and Rosenberg 1975; Woodside and DeLozier 1976). Within consumer markets WOM generally works in conjunction with advertising and promotion (Still et al. 1984), and is of particular value within services markets where the perceive risk of purchase is often higher than in the case of tangible products where there is more scope for pre-purchase trial and evaluation (Mitchell and Greatorex 1993). Branding is an important element for reducing perceived risk and brand loyalty can overcome or neutralise negative WOM amongst consumers (East et al. 2008). WOM works in conjunction with advertising which can stimulate WOM (Bayus 1985), and may also mitigate the detrimental influences of negative WOM if received in advance of the oral communication (Smith and Vogt 1995).

The process of WOM involves at least two individuals engaged in a dialogue with a number of important elements influencing its effectiveness and outcomes. Key antecedents to the generation of WOM are the perceived quality of the product or service and the level of commitment that the consumer has made to the organisation providing the product or service (Harrison-Walker 2001). Analysis of the factors influencing the WOM process within consumer markets undertaken by Mazzarol et al. (2007) suggests that the generation of positive WOM is more likely to take place where the giver perceives the quality of the product or service to be high; they are satisfied with the product or service, and have a high perceived value for the product or service. Mediating factors can include such triggers as advertising and promotion, the giver responding to a perceived need on the part of the receiver, or serendipity. The decision to give WOM may also be influenced by the giver's sense of advocacy or commitment to the organisation producing the product or service, as well as their social proximity to the receiver, their self-confidence, knowledge or experience with the product or service, and the perceived risk associated with giving such WOM.

From the receiver's perspective the WOM communication is more likely to have impact if the message is rich in information, contains strength of conviction and high valency. The receiver's likelihood of accepting the WOM is contingent on their own perception as to how credible the message is, the credibility of the giver, and such things as the complexity or perceived risk of the decision to take the advice, whether they are under time pressure to make a decision, and if there is any brand equity to support the endorsement (Sweeney et al. 2008). In the case of new products it has been suggested that marketing strategy should aim to build sufficient market awareness to boost WOM and then maintain a strong level of advertising to support the brand and mitigate any negative WOM (Mahajan et al. 1984). However, for innovations that lack the support of strong brand association or significant marketing communications investment, the reliance on positive WOM is often critical in the diffusion process (Mahajan and Muller 1979).

Radical innovations, particularly those generated by small firms, are unlikely to have the benefit of strong brand equity and marketing communications support. Under these conditions the entrepreneur within a small firm is likely to have to rely on positive WOM and their ability to leverage their social and business networks (Ostgaard and Birley 1994). The importance of marketing within the new product development (NPD) process within small firms has been demonstrated in past research (Huang et al. 2002). With evidence that the level of innovativeness can influence the effectiveness of the marketing communications, and that such promotion should seek to educate the consumer (Lee and O'Connor 2003). For small entrepreneurial firms with limited marketing budgets, the key element in the diffusion of innovation, ensuring success in the commercialisation of new products is their ability to secure a lead customer or set of leading customers and engage them in a continuous dialogue designed to reduce perceived adoption risk while developing customer commitment (Eng and Quaia 2009).

9.3 Third Party Voices in the Diffusion Decision

For managers in large organisations the decision to adopt an innovation follows a pattern defined by Rogers (1995) as consisting of problem identification and knowledge accumulation, evaluation and persuasion of options, adoption decision, implementation, and confirmation of the innovation's success. However, adoption must take place at two levels with the first occurring at the organisational level and requiring a succession of managerial authorities to take place, often from the top down. The second involves the end-users within the organisation and their willingness to accept or reject the innovation (Leonard Barton and Deschamps 1998). Decisions to adopt a new technology are typically shaped by the perceived usefulness and ease of use of the innovation (Davis et al. 1989). However, these factors are determined by the ability of the innovation's benefits to be measured, how relevant it is to an individual's job or the organisation's core purpose the adopter's experience of the technology and whether their adoption is voluntary or compulsory. However, other important factors influencing adoption are the subjective norms or relevant others' beliefs that this adoption should occur, and the positive image associated with the innovation or those who advocate it (Legris et al. 2003).

In a study of innovation diffusion within industrial markets Czepiel (1974) found evidence to support the social process theory and the influence of third party voices. A key factor was "the existence of a functioning informal community linking together the firms" (p. 178). Interpersonal relationships, WOM and the imitation of one firm's behaviour by another were all identified as critical to the diffusion of the innovation. These findings point to the role played within industrial markets by social networking in the innovation diffusion process. The importance of the social system's impact on the diffusion of innovation was further highlighted by Abrahamson (1991) who noted the role of managerial fads and fashion in the adoption and rejection of innovations. In his conceptual analysis he explained why organisations adopt technically inefficient innovations while rejecting efficient ones. It also explains the influence on organisational decision making of powerful external factors that may promote the adoption of inefficient innovations at the expense of more efficient ones. In this way the role of social influence can be seen within even organisational contexts. In particular the role played by those perceived by managers to be third party experts whose advice they seek about whether to adopt an innovation (Leonard Barton 1985). Such opinion leaders can have a significant influence on the rate of diffusion for an innovation (Valente and Davis 1999).

The innovation adoption process within large organisations therefore occurs at two levels whereby first the organisation, then its members make decisions regarding its acceptance. Third party influences take place at each stage. The marketing and sales activities of the suppliers promoting the innovation form part of this communication. These are typically targeted at key decision makers and aim to reduce the perceived risk of the adoption while demonstrating its benefits. Also playing a role is the influence of the social network of the senior managers making

the decision. Informal communications about the innovation that carry positive WOM will improve the likelihood of adoption (Frambach and Schillewaert 2002). The influence of such subjective norms upon organisational adoption of complex technological innovations has been acknowledge with such influential voices as peers, co-workers, professional contacts, customers, subordinates and senior managers all providing input (Gallivan 2001). At the individual level acceptance of an innovation is likely to be influenced by peer group adoption of the new initiative placing pressure on the individual to imitate. Also influencing individual adoption decisions are the social norms that suggest the innovation is desirable in the eyes of senior management or socially important role models (Frambach and Schillewaert 2002).

By contrast with their larger counterparts, entrepreneurs within small innovator firms are likely to proceed with the commercialisation of an innovation where they feel they have the necessary resources, capabilities, stakeholder support and leading customers who will value their new products or services (Choi and Shepherd 2004). Best practice in NPD and commercialisation requires attention to both the project management and market development in what has been described as the "fuzzy front end" of the development process (Dooley et al. 2002). The expected return on the investment into the commercialisation of the innovation is assessed by entrepreneurs within small firms through the anticipated acceptance of the new product by these lead customers (Mazzarol and Reboud 2005). Of all the external influencers likely to impact on the decision making of an entrepreneur within a small innovator firm, the most important is that of the customer (Mazzarol and Reboud 2006). However, small firms typically lack sufficient resources to enable them to undertake the commercialisation of an innovation alone. As a result they are likely to seek the support of third party complementary actors such as leading customers, key suppliers and resource network partners (Mazzarol and Reboud 2008). The ability for the entrepreneur to leverage strategic alliance partnerships can enhance the firm's market performance (Sarkar et al. 2001). These various stakeholders influence the strategic decision making of entrepreneurs and can involve both formal (e.g. supplier and customer), as well as informal (e.g. family members) channels (Atkins and Lowe 1994).

As noted by Kotabe and Swan (1995) in their study of 906 new product innovations a firm should be viewed as a "collection of technologies ranging from simple administrative procedures to applied sciences" (p. 631). Collaboration via strategic partnerships within the NPD/commercialisation process serves to leverage the firm's resources and those of its strategic network partners to best coordinate one or more of these technologies and remove any redundancies. However, collaboration is not always a successful innovation strategy. There must be a shared vision and overall strategic intent between the collaborating firms, with trust and good communications essential ingredients to success. This collaboration for NPD and commercialisation may be more difficult where the innovation is of a radical or disruptive nature as the ability to draw the various network actors together into an alliance becomes harder.

9.4 Commercialisation, Marketing and the Role of WOM

Let us turn now to the role played by marketing and WOM in the process of commercialisation of an innovation. Commercialisation involves taking the innovation to market and includes marketing, sales, distribution and the formation of joint ventures designed to ensure successful diffusion of the innovation. Despite its importance it remains one of the least developed areas of innovation management from an academic research perspective (Adams et al. 2006). Within the innovator firm the focus has been on how to better integrate the R&D and marketing aspects of the NPD process to ensure that these two, often conflicting, sub-cultures are reconciled. This has often involved the formation of multi-functional teams, matrix organisational structures and cross training and deployment of personnel (Griffin and Hauser 1996). There is evidence that communications across functional areas within the firm result in enhanced innovative performance, and while such dialogue with customers and other firms has a positive impact on the level of patents generated (Kivimaki et al. 2000).

The level of market orientation found within the firm and its ability to be proactive in its pursuit of market opportunities has been identified as playing a significant role in enhancing NPD and overall innovation (Vazquez et al. 2001). This appears to apply as well to service firms as to those engaged in the production of tangible goods (Agarwal et al. 2003). How proactive a firm is within its marketing is likely to be particularly important in circumstances where the innovation is radical or disruptive in nature (Sandberg 2002). This type of innovation involves the combination of new product and new market combinations and requires greater targeting of the marketing communications effort to win over influential early adopters and leverage points of market entry. Less disruptive innovations can be products that are seeking to enter new markets or new products being diffused within existing markets. Such innovations require different approaches to marketing depending on the conditions influencing their diffusion (Garcia and Calantone 2002). The coordination of the marketing and R&D elements within the commercialisation process is important, with the ability to communicate the benefits of the innovation to potential customers or to adapt platform intellectual property and technologies to suit the requirements of such customers (Dutta et al. 1999).

Generating positive WOM in order to enhance the commercialisation of an innovation and its subsequent diffusion within a target market remains a key challenge for managers. However, there is evidence that firms can encourage such WOM through a process of relationships marketing with attention given to opinion leaders (Buttle 1998). Firms seeking to commercialise new products and services must make a strong commitment to encouraging positive WOM. This can translate into listening actively to customer feedback and seeking to engage leading customers and early adopters as partners in the NPD/commercialisation process (Berthon et al. 1999; Brunner 2001). Building trust, loyalty, commitment, perceived quality and value plus source credibility in the mind of such customers is

crucial (de Matos and Rossi 2008), as is making sure that promises are kept and opinion leaders cultivated. Monitoring feedback from early adopters is important along with ensuring that there is a high level of information provided to the market to allow customers to make an informed choice (Haywood 1989). For example, Thomke and von Hippel (2002) have noted that in some instances firms have sought to bring their lead customers into the NPD process and have provided them with "tool kits" that allow the customer to trial new ideas and prototype products. They have also made their production systems more flexible to accommodate customised designs requested by such customers. However, such outsourcing of the NPD process to the lead customer is not without its challenges. It requires intense interpersonal communications and the potential need to modify the firm's business model. Yet such lead customers, particularly if they are prominent firms within their own industries, will serve as ideal opinion leaders.

Opinion leaders within markets tend to be more knowledgeable than non-leaders on particular topics and engage in more information search behaviour. They also tend to gain more satisfaction from providing WOM within their fields of interest (Corey 1971). Opinion leaders tend to be more innovative than non-leaders, or at least are willing to be early adopters. They also may have higher social status within their communities. However, there is little overlap across different types of opinion leaders with leadership in one sphere counterbalanced by non-leadership in another (Rogers and Cartano 1962). Within consumer markets some success has been found in launching new products and services with innovative marketing campaigns that generate a "buzz" of positive WOM within target communities via opinion leadership grassroots advertising (Dye 2000). The advent of the internet has given firms the ability to engage consumers and early adopters of innovation in a two-way dialogue utilising the power of Web 2.0 technologies (Riegner 2007). Consumer reviews of new products and services posted on web-logs offer an opportunity for timely dissemination of positive and negative market feedback and serve as a form of opinion leadership or electronic WOM (Chen and Xie 2008). However, as with face-to-face WOM, care must be taken to allow these e-WOM consumer web-logs to be seen as independent of manipulation by the firm or risk eroding source credibility (Sussan et al. 2006; Lee and Youn 2009).

9.5 Conclusions

In summary the diffusion of innovation is a social process in which interpersonal communication and WOM advocacy play a key role. The firm seeking to commercialise a new product or service must recognise this and focus attention on the generation of positive WOM within target market segments. The rate of diffusion will be influenced by the nature of the innovation, and the characteristics of both the innovators and the environment in which they exist. Positive WOM can play a critical role in enhancing the rate of diffusion of an innovation; however the dynamics of this communication process must be understood before it can be usefully harnessed.

Opinion leaders can play an important role in providing positive WOM, but their propensity to do so is likely to depend on such antecedents as their past satisfaction with the firm's previous products and services, whether they perceive the innovation offers value, and their commitment and loyalty to the firm. This WOM is also likely to need triggering via marketing promotional activities. Providing such opinion leaders with early trials of the product or service, plus sufficient information to educate them as to its attributes and benefits is likely to boost their self-confidence in giving WOM. How well this WOM is accepted by the receivers may depend on the richness, strength and valency of the message, as well as the credibility of the source and brand equity of the supplier.

Engaging customers, particularly leading customers, in a proactive dialogue aimed at reducing the perceived risk and uncertainties associated with the innovation is a key aspect of any marketing commercialisation strategy. Customer education and collaboration in the NPD process builds trust, loyalty and commitment that result in early adoption and the generation of positive WOM. The dynamics of different markets and how disruptive the innovation is will influence the nature of any marketing communications strategy. Within business to business markets the innovator firm is best placed targeting key points of influence such as senior managers or third-party experts whose opinions are sought in relation to adoption decisions. In mass consumer markets the opportunities exist to generate a "buzz" with targeted promotions utilising databases, opinion leaders and the power of Web 2.0 social media technologies to generate e-WOM (Howell 2005; Ainsworth 2007).

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