

Economics of innovation

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Economic Consumer Economic consumer is a skilled optimizer: an asocial hermit of fixed and pre-determined tastes, which he knows in details. And his behavior is not, apparently, influenced by others; given the same products, prices and income, he would never vary consumption. (G. M. Peter Swan 2009) Economic consumer will welcome cost-reducing process innovation and product innovations that increase a sought-after feature of a good, except the new characteristics which he never needed. (j) What is the attitude of economic consumer to phone, especially facing the upgrade the new phones?

Some of them won't buy phones. The reasons why you don't need phones, by a phone Owner: ISIS cost more amount of electricity and new maps APS doesn't as reliable as Googlemap. @considering the factor of price, they will retain their mobile phone. However, it is time for some of them buy phones or 4. With phones come in to the market, big price cut for phones. Last year's phone AS will now start at IEEE for the BIBB model, a price cut of EYE. While the phone 4 has had its price slashed by more than Because cost-reducing process innovation is satisfied by economic consumer.

Topeka Capital's survey found people buy phones, which 11% of people were upgrading from the phone 4, 3% from the phone ASS, and 36% were first-time phone owners. @The old versions are enough for them, while the new characteristics from phones are not their needs. There is no doubt that phones is taller, thinner, and lighter and faster, (\$which brings consumer a lot of surprise. It does not exclude that a part of economic consumer would like to buy phones because he will welcome product innovations that offer him more of characteristics that he values and needs.

Evolve/Broodier Consumers " Evolve Consumers" is a name referred to Bless's concept of " conspicuous consumption". The very main concept of these types of consumers are that, they tend to be " distinctive" from their consumptions. Consumers tends to spend money to acquire luxury goods, to provoke the new of other people, to show how superior they are, in terms of socio-economic status. According to Bless's theory of conspicuous consumption, " Individuals tends to excel the consumption patterns of other individuals situated at higher points in the hierarchy' (A. B. Trig, 2001, pap).

They end to be a small proportion of the total population who have relatively more wealth than the average. Therefore, they are capable of affording expensive luxurious goods. If we look into these kinds of consumers for the product - phone, we can divide them into two consumers - Evolve and Broodier. Broodier consumers have the same characteristics as the Evolves, except they have modest expenditure - less then the former. Compared to other phone brands, more specifically - phone's price tag is approximately 50% relatively higher (except for phones that is categorized with phone, for example, Samsung Galaxy).

It has became a " fashion" to use phone for a lot of phone users since phone was introduced into the market a few years ago. Since then, a person with an phone was recognized as a person who is capable to afford a distinctive phone, Broodier Consumer. To satisfy Evolve Consumers, they're feature of a good, except the new characteristics which he never needed. @ What kind of designed phones are always a lot more expensive then original priced phones, the increase in price might be up to 1000% increase. With

distinctive price and design, Evolve consumers are always very satisfied by these products.

Marshall consumers Marshall consumers desire not only better quantity, but also pursuit of better quality and larger variety of the product as to satisfy new desires. (Marshall, 1961, p. 86) They also want others to notice their new changes. (Marshall, 1961, p. 89) Once Marshall consumers are gratified of present wants, they will move forward by actively searching ways dealing with their new wants and are interested and willing to cope with any uncertainty that rises. (Kebob, 2012, p. 22) (Swans, 2009, p. 195) New phone model always has more features and improvements than previous ones.