

## Change is the Price of Growth: how fast or slow is a matter of choice

*This is the first in a series of articles designed to address how administrators can influence the rate of adoption for new programs and services as well as how to manage the rate of internal change within their organization. Although internal change and product adoption may appear on the surface to be very different, they are in fact regulated by the same underlying principles. The first article introduces readers to a framework that outlines how to influence the rate of adoption and then concludes by illustrating how relative advantage can specifically be used to regulate the rate of acceptance for new programs and ideas. In subsequent articles additional examples will be developed for how to apply the framework within an educational setting.*

### Abstract

“Everybody wants to be somebody; nobody wants to grow.” -Goethe

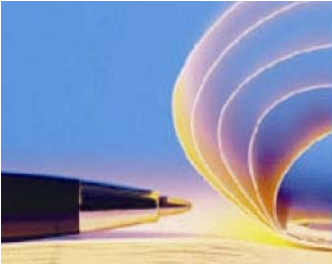
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**Rich Rexeisen, Ph.D.**

Organizations are frequently searching for ideas or suggestions for how they can speed the rate of adoption for their new products, programs and services. Within the context of lifelong learning, the question can easily be framed with either an internal or external focus. For example, when applied internally the question becomes “how can an organization more rapidly adjust its programming to accommodate the evolving needs of the lifelong learner?” Conversely, an external focus frames the question as “how can an organization influence how fast students will adopt the various classes, programs or services they are offering?”

For the purposes of this article, we will assume that your organization is doing everything right...up to a point. You have clearly identified your target audience (e.g., an underserved niche within the lifelong learning market). You have carefully assessed your customers’ needs and abilities and you have designed the idea program for your audience. You have built the better mousetrap (to borrow a phrase from Emerson) and now are waiting for the world to beat a path to your door.

But wait, no one is knocking at your door. Equally problematic, though on the surface appearing to be a more desirable situation, your organization is overwhelmed by student or faculty interest. In either case you experience difficulty. In the former case, low demand, you experience frustration and disappointment fueled by the lack of interest. In the latter case, excessive demand, you must deal with students or faculty that are angry because classes are oversubscribed: quality drops in your rush to meet demand and before too long a series of new competitors enter the market to take advantage of your apparent good fortune. Demand, of course, eventually erodes but the level of competition remains painfully acute. Sound familiar?



Fortunately, there are a number of strategies and tactics that an organization can use to influence the speed of adoption of their products and services. Research suggests that there are five basic factors that influence the rate of adoption:

1. the degree of relative advantage
2. cultural fit or compatibility
3. simplicity
4. divisibility
5. visibility

When you combine of these basic recommendations with the four utilities of exchange, also known as the 4 P's of marketing (product, price, place and promotion), you create a powerful tool for understanding and influencing the rate of adoption.

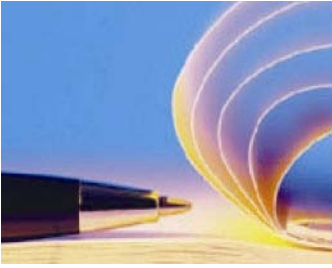
## Factors Influencing Adoption

**Relative advantage** refers to the degree to a product or service is superior on some significant dimension when compared to available alternatives. The classic marketing recommendation is that your organization must create a program or product that results in a sustainable competitive advantage. It is also very important to remember that relative advantage should be understood from the customer's perspective. This is particularly challenging in the lifelong learning arena given that the customer's perspective is continually changing. Constant monitoring of the needs of your customers is therefore essential. Many experts suggest that relative advantage is the most important element for speeding the diffusion process. **The greater the relative advantage the more rapid will be the speed of adoption.**

**Simplicity** is a recommendation that educators need to pay particular close attention to. By virtue of their predilection for complexity, educators are prone to violating this rule. Undoubtedly many readers will already be familiar with the K.I.S. (keep it simple) principle. And those who that are familiar with effectiveness of this basic rule understand that you need to keep things "very simple." **The simpler things are the more rapid will be the speed of adoption.**

**Compatibility** refers to the degree to which any element of your marketing mix (4 P's) is compatible with the attitudes, opinions and culture of your target audience. It is always the responsibility of the marketer to speak "the language" of the intended audience. Speaking the language, within its context, refers to creating an acceptable product design, placement, pricing and promotion of the product/service within the market. **The more compatible your program or product is with the values of your target market, the more rapid will be the speed of adoption.**

**Divisibility** effectively refers to the extent to which a potential customer can sample your product or service. Almost everyone will be familiar with impact that free samples can have such as those that are given out at the local supermarket. Consider also the example of how important it is to test drive a new car before purchasing. Money back guarantees are an extension of this type of approach. The easier it is for someone to try or sample your product the more rapid will be the speed of diffusion.



**Visibility** refers to the ease with which potential customers can see that others are using or can infer that others are using your product. It is for this reason that brand names are printed on clothing or that polling places hand out stickers that say “I voted.” The more visible things are the more will be rapid the speed of adoption.

## Utilities of Exchange

A **product** (including programs, services and ideas) is best understood when defined as the total bundle of attributes (including intangibles) that are offered in exchange for some form of payment. In other words, each and every attribute of a product can become a basis of differentiation or conversely a reason for not adopting the product. As a general rule I tend to include packaging characteristics within the basic product definition. Research clearly indicates that consumers do not differentiate very well between package and product. Consider a diamond engagement ring that comes in a K-Mart® box versus a Tiffany® box. Ancillary product characteristics can also be very important to consumers. For example, in education, the availability of an instructor to talk before or after class as well as their general accessibility is widely recognized as one of the most important “experiential characteristics” of the learning process that results in long-term student satisfaction and retention. It is important to remember that quality is always defined from the customer’s perspective.

**Price** can be thought of as any form of payment that is given in exchange for the product or service. Price includes the dimension of time (e.g. no payment, no interest until 2010) and should also be thought of as including any effort and related costs associated with acquiring a product or service. Ancillary costs can therefore include the cost of parking, the cost of transportation to and from the location where the product is available, opportunity costs, etc. Price is much more than simple tuition and fees!

**Place** refers to the physical location where the product/service is delivered. I tend to include ambiance or atmosphere within the general domain of place. Other authorities will discuss the characteristics of the physical location within the context of promotion while other yet will consider ambiance as part of the overall “package.” There is little disagreement; however, that atmosphere is an important characteristic or feature of a product offering. Another general rule of thumb is that the required level or intensity of distribution is dependent upon the level of involvement a consumer feels toward the product. If involvement is low you will need to have the product/service as conveniently located as possible. If involvement is high, than a more exclusive distribution may be preferred (from a cost/benefit perspective). Place, therefore, must be varied according to the level of student involvement and the atmosphere should be tailored to meet the needs of the intended audience.

**Promotion** generally refers to how you communicate with your customers. Advertising and personal selling are the most widely recognized elements of the promotional mix. Advertising is generally suitable for mass marketing and personal selling is ideal for high involvement products or when selling to groups or organizations. As a general observation, organizations also do not take full advantage of the opportunities that are available for publicity. Cooperative advertising, or

cost sharing with other organizations, can also be very effective. **Of all communication techniques, however, word-of-mouth is the most effective!**

## **Practical Illustrations**

To help illustrate how the adoption framework can be used in practice, two examples will be developed for each of the five basic characteristics of adoption and for each of the four utilities of exchange. This particular article, however, will only focus on developing examples for **relative advantage**. Examples will be presented in subsequent articles.

There are any number of unique competitive advantages, or combination of actions, that can be developed for relative advantage. In fact, the only practical limitation is the imagination and creativity of the people developing the marketing mix. For the purposes of illustrating the adoption framework, the following examples are intended to illustrate how an organization can speed the adoption process. If a reader wishes to slow the diffusion process they need only create actions that are contrary to speeding the rate of adoption. For example, charge a higher price, make the product/service available in fewer locations or do less promoting.

### **Influencing the Rate of External Adoption (Relative Advantage)**

**Product:** Offer courses in the native language of the target market. For example, offering courses in Spanish to newly arrived immigrants or offering courses in Spanish to students who are trying to learn more about the language as it used and spoken within different contexts (the object of the course in the latter case is not Spanish but rather is a differentiating characteristic of the course).

Offer classes at different times and of different lengths for different target audiences (e.g. the elderly often will have shorter attention spans than traditional students). The object of the product modification in this case is how the product is effectively packaged.

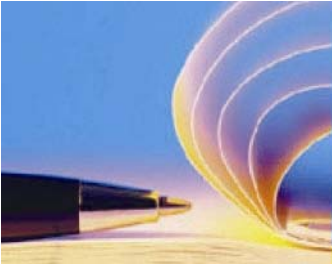
**Price:** Encourage/enable gift certificates (birthdays and other holidays) for non-credit classes. Audience can be either individuals or organizations.

Frequency marketing techniques (credits that accumulate for taking multiple classes that can be used for taking other classes). One of the best-known examples of this is the frequent flyer program.

**Place:** Offer course in alternate locations, e.g., high rises for seniors or assisted care facilities. If a student misses a class, allow them to attend a future class on a space available basis. The relative advantage, in this example, is primary directed toward those students who expect to be traveling during the course.

**Promotion:** Promote your products and services at the appropriate reading level for the audience you are targeting. Use contemporary sales/sales management strategies/techniques when selling to organizations.

### **Influencing the Rate of Internal Change (Relative Advantage)**



**Product:** Remember to view your programs or element or proposed change from the perspective of your staff or faculty. In other words, “What’s in it for me?”

Adjust new courses or programs so that they also fit the needs and interests of the faculty. For example, a new program might initially have smaller classes or conversely larger classes but fewer classes to teach, team teaching, etc.

If a proposed change involves some measure of pain (e.g., cost cutting measures, learning a new method of educational delivery as may be the case when teaching lifelong learners) then the staff must be helped to understand why the change is necessary. For example, fiscal necessity should be paired with a distinct authority that is managing the process (hence assigning accountability and ownership), clearly illustrating offsetting opportunity costs (e.g. larger classes but retain athletic program), etc. The process by which debate will take place on what is “necessary change” must have an agreed upon time horizon and method of final dispute resolution. The key is to take the focus off the disputed outcome (issue of change) and refocus everyone’s attention on the rules by which the decision will be made. The relative advantage of the latter suggestion is to facilitate an individual’s (staff or faculty) psychological resolution and acceptance of whatever decision is eventually made.

**Price:** Within this context, price refers either to increasing rewards or reducing the costs associated with change.

Modify the reward system (annual evaluation process) to reinforce desired behaviors. Offer assistance for adapting to the proposed change. For example, if migrating to Web-based learning offer classes and technical support. This example focuses on lowering the costs associated with making a given change.

**Place: Ease and comfort!**

When explaining change hold meetings that are convenient and situation, as much as possible, in a comfortable and non-threatening setting.