In this chapter, the innovators and extreme innovators are discussed. These types of consumers are very important because they grow the infant market. The extreme innovators purchase an incomplete product at high price and contribute to the product development. Then the innovators purchase an immature product at a relatively high price and their reviews have great effects on the future diffusion. We also follow their second and later purchases because their behavior in repeat purchases has a strong relation with the alternation of product generations. In other words, they are the motive power for the alternation of products or the change to the alternative products.
Characteristics of Extreme Innovators and Innovators

Moore (2002) has observed that:

*Innovators pursue new technology products aggressively. They sometimes seek them out even before a formal marketing program has been launched. This is because technology is a central interest in their life, regardless of what function it is performing. They are inherently intrigued with any fundamental advance and often make a technology purchase simply for the pleasure of exploring the new device’s properties. There are not very many innovators in any given market segment, but winning them over at the outset of a marketing campaign is key nonetheless, because their endorsement reassures the other players in the marketplace that the product does in fact work.* (p. 12)

Innovators have four main characteristics. First, they adopt new products and dominate the new market at the very beginning of the product life cycle. Roger (1995) and Kotler (2005) called the first 2.3 percent of adopters the innovators. Thus, they constitute a small number outside two standard deviations from the mean. Second, they are good with technology; most of them are able to operate new products by themselves. Third, they spend much more money for new products than others. The price and performance tend to improve over time. Although the product performance and the price have much room for later improvement in such new products, innovators nevertheless are willing to buy them now. Finally, they enjoy evaluating new products. They also express their opinions about new products by word of mouth or especially through the internet.

The extreme innovators are considered to be the first 0.13 percent of the total consumers, and amount to a fraction outside three standard deviations. They buy the product while the industry is still involved in trial and error. They often are very affluent—for example medical doctors, movie stars, and executives—and they prize the novelty of the products very much. They do not have to be techies because the manufacturers themselves can support them with great care or they can hire others to operate the devices. It is natural that the number of consumers be very small at this stage in accordance with the low product performance, the product performance/price ratio, and the inefficient mass-manufacturability.