

New technology adoption: Part IV

A look at the fourth stage of new technology adoption.

In our previous three columns regarding high-tech marketing, we outlined the importance of realizing different aspects of the five stages—Innovation, Early Adopters, Early Majority, Late Majority and Laggards—and their impact on the success of a new product.

We considered the four GAPS between each stage and the barriers these chasms bring to the party. Now we want to tie these basic concepts together in a Competitive-Positioning Compass.

Understanding the Competitive-Positioning Compass (CPC) will help you “find the way” with new product introductions.

In the CPC there are four domains of relative value in high-tech marketing: technology, product, market and company.

CPC PREMISE

As a product moves through the Technology Adoption Life Cycle (TALC), the domain of greatest value to the customer changes.

In the early market, where decisions are dominated by technology, enthusiasts and visionaries, the key value domains are technology and product. In the mainstream, which includes the Late Majority and Laggards, decisions are dominated by pragmatists and conservatives. Here the key domains are market and company.

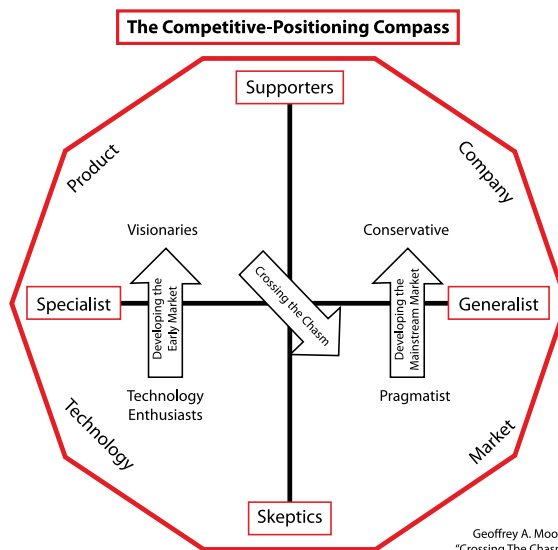
Crossing the GAP, in this context, represents a transition from product-based to market-based values (to the customer). See chart below.

Within this model there lies a great number of concepts. Here are some clarification points that should help.

The compass will direct based on two axes. The horizontal dimension shows the range of buyer interest in and understanding of high-technology issues. The early market is dominated by specialists. They are interested in technology and product. By contrast, the mainstream is dominated by generalists interested in market leadership and company stability.

The vertical dimension overlays a second measure—the buyer’s attitude toward the proposed value proposition—ranging from skepticism to support. Markets move from a state of skepticism to a state of support. Early market exposure to the technology enthusiasts evolves from a skepticism gatekeeper to the mainstream market where pragmatists play. Once the technical enthusiasts give their blessings, then their companions—visionaries and conservatives—feel free to buy in.

This model also points to the fact that people who are supportive of your value proposition take an interest in your products and in your company. People who are skeptical of you do not. The impor-



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"Crossing The Chasm"

tant takeaway here is that at the beginning of a market, when skepticism is the common state, basing communications on product or company strengths is a mistake. You have no permission, from the market, to hype these elements, because the market players do not yet believe you are going to be around long enough to make a difference.

There are two naturally occurring market rhythms in high-tech: developing the early market and developing the mainstream market. One develops an early market by demonstrating a strong technical advantage and converting it into product credibility. One develops a mainstream market by demonstrating a market leadership advantage and converting it into company credibility.

In contrast, the “GAP transition” rep-

resents an unnatural rhythm. Crossing the GAP requires moving from an environment of support among visionaries back into one of skepticism among pragmatists. It means moving from the familiar ground of product-oriented ones, and from the unfamiliar ground of market-oriented ones, and from the familiar audience of like-minded specialists to the unfamiliar audience of essentially uninterested generalists.

If we are going to succeed in winning over the lower right quadrant, the skeptical pragmatists, then that competition has to be based in market-oriented concerns. This is what the pragmatists care about. In brief, we must shift our marketing focus from celebrating product-centric value attributes to market-centric ones. In the table on this page you will find a list of each. **CW**

See Chemark's ad this month on page 68.

Product-Centric

- Fastest product
- Easiest to use
- Elegant architecture
- Product price
- Unique functionality

Market-Centric

- Largest installed base
- Most 3rd party supporters
- De facto standard
- Cost of ownership
- Quality of support