which means, in effect, they are stymied. It is our job to get them out of this semiparalyzed state and back into action.

The only proper response to this situation is to acknowledge the lack of data as a condition of the process. To be sure, you can fight back against this ignorance by gathering highly focused data yourself. But you cannot expect to transform a low-data situation into a high-data situation quickly. And given that you must act quickly, you need to approach the decision from a different vantage point. You need to understand that *informed intuition*, rather than *analytical reason*, is the most trustworthy decision-making tool to use.

Informed Intuition

Despite our culture's anxiety about relying on nonverbal processes, there are situations in which it is simply more effective to substitute right-brained tactics for left-brained ones. Ask any great athlete, or artist, or charismatic leader—ask any great decision maker. All of them describe a similar process, in which analytical and rational means are used extensively both in preparation for and in review of a central moment of performance. But in the moment itself, the actual decisions are made intuitively. The question is, How can we use this testimony to our advantage in crossing the chasm in a reasonable and predictable way?

The key is to understand how intuition—specifically, *informed intuition*—actually works. Unlike numerical analysis, it does not rely on processing a statistically significant sample of data in order to achieve a given level of confidence. Rather, it involves conclusions based on isolating a few high-quality images—really, data fragments—that it takes to be archetypes of a broader and more complex reality. These images simply stand out from the swarm of mental material that rattles around in our heads. They are the ones that are memorable. So the first rule of working with an image is: If you can't remember it, don't try, because it's not worth it. Or, to put this in the positive form: Only work with memorable images.

Now, just as in literature, where memorable characters like Hamlet or Heathcliff or even Dirty Harry stand out and become symbols for a larger segment of humanity, so in marketing can

whole target-customer populations become imagined as teenyboppers, yuppies, pickups and gun racks, or the man in the gray flannel suit. These are all just images—stand-ins for a greater reality—picked out from a much larger set of candidate images on the grounds that they really "click" with the sum total of an informed person's experience. These were, in short, the memorable ones.

Let us call these images *characterizations*. As such, they represent characteristic market behaviors. Teenyboppers, for example, can be expected to shop at a mall, emulate a rock star, seek peer approval, and resist parental restrictions—all of which imply that certain marketing tactics will be more successful than others in winning over their dollars. Now, *visionaries*, *pragmatists*, and *conservatives* represent a set of images analogous to teenybopper, yuppie, and so on—albeit at a higher level of abstraction. For each of these labels also represents characteristic market behaviors—specifically, in relation to adopting a discontinuous innovation—from which we can predict the success or failure of marketing tactics. The problem is, they are too abstract. They need to become more concrete, more target-market specific. That is the function of *target-customer characterization*.

Target-Customer Characterization
The Use of Scenarios

First, please note that we are not focusing here on target-*market* characterization. The place most crossing-the-chasm marketing segmentation efforts get into trouble is at the beginning, when they focus on a target market or target segment instead of on a *target customer*.

Markets are impersonal, abstract things: the personal computer market, the one-megabit RAM market, the office automation market, and so on. Neither the names nor the descriptions of markets evoke any memorable images—they do not elicit the cooperation of one's intuitive faculties. We need to work with something that gives more clues about how to proceed. We need something that feels a lot more like real people. However, since we do not have real live customers as yet, we are just going to have to make them up. Then, once we have their images in mind,

we can let them guide us to developing a truly responsive approach to their needs.

Target-customer characterization is a formal process for making up these images, getting them out of individual heads and in front of a marketing decision-making group. The idea is to create as many characterizations as possible, one for each different type of customer and application for the product. (It turns out that, as these start to accumulate, they begin to resemble one another so that, somewhere between 20 and 50, you realize you are just repeating the same formulas with minor tweaks, and that in fact you have outlined 8 to 10 distinct alternatives.) Once we have built a basic library of possible target-customer profiles, we can then apply technique to reduce these "data" into a prioritized list of desirable target market segment opportunities. The quotation marks around *data* are key, of course, because we are still operating in a low-data situation. We just have a better set of *material* to work with.

Electronic Books: An Illustrative Example[2]

For the purposes of illustration, let us consider how we might market an electronic book, where content is downloaded over the Internet into a laptop-like device, weighing three pounds, dedicated exclusively to reading. The first two of these products—Softbook and Rocket eBook—were launched in the fall of 1998. Their claim to fame is that you can carry as many books as you want with you, get new books anytime anywhere, search books with the power of a computer, and—well—be the first kid on your block to own an electronic book.

Now, let us suppose that in the first year or so electronic books win over an early market of technology enthusiasts ("Hey, wanna see my cool new e-book?") and visionaries ("With e-books, we can change the way higher education is conducted!"). Amazon.com announced it will support downloads. Some way-cool book author (say, the author formerly known as Tom Clancy) announces his next book will *only* appear in e-form.

[2]This is the other section of the book that is significantly revised from the original. In the intervening years The Chasm Group has used the scenario methodology broadly, and what follows reflects a much improved approach.

The Pentagon buys 10,000 units but won't say what for. And Tom Cruise puts an e-book in his next movie. Now it is time to go after the mainstream market, taking market share away from traditional paper-based books. Where would you begin?

This is a classic case of, "So many segments, so little time"—exactly the sort of thing that target-customer scenarios are best for. A representative format for any given scenario is illustrated in the following section. A finished scenario should be limited to a single page. As you will see from the example, this is a highly tactical exercise in microcosm, but it has major implications for how marketing strategy is set overall. So as we work through the example, we will also keep an eye out for the broader implications.

Sample Scenario

1. *Header information.* At the top of the page you need thumbnail information about the end user, the technical buyer, and the economic buyer of the offer. For business markets, the key data are: industry, geography, department, and job title. For consumer markets, they are demographic: age, sex, economic status, social group.

   For our sample scenario, we are going to focus on a maintenance application in aerospace. So our key header information is:

User:	Aerospace, U.S., maintenance department, flight systems specialist
Technical buyer:	IT department, document management applications director
Economic buyer:	Maintenance department, director

   In consumer scenarios, the three roles of user, technical buyer, and economic buyer tend to merge into one or two. If the user is a child, the economic buyer is the parent, and the technical buyer is a toss-up (in our house, the child for sure). If the user is an adult, the economic buyer often is the other spouse (as in, is it OK for me to spend our money on this doodad?), and the technical buyer tends to be the user. One caveat though: It is extremely difficult to cross

the chasm in consumer market. Almost all successful crossings happen in business markets, where the economic and technical resources can absorb the challenges of an immature product and service offering.

The idea behind the header information is to focus the marketing and R&D teams on a specific instance of how the product would be bought and used. Do not worry about being overly focused at this point. The devil is always in the details, and these scenarios are all about getting the devil in view.

2. *A Day in the Life (Before)*

The idea here is to describe a situation in which the user is stuck, with significant consequences for the economic buyer. The elements you need to capture are five:

- *Scene or situation:* Focus on the moment of frustration. What is going on? What is the user about to attempt?
- *Desired outcome:* What is the user trying to accomplish? Why is this important?
- *Attempted approach:* Without the new product, how does the user go about the task?
- *Interfering factors:* What goes wrong? How and why does it go wrong?
- *Economic consequences:* So what? What is the impact of the user failing to accomplish the task productively?

Using aircraft maintenance as an example, we might generate the following:

Scene or Situation

Ernie has been called in to find out why the shrevostat light on the aircraft console is blinking red. The plane has boarded and is otherwise ready to depart. As Ernie looks over the dash, he realizes he has never actually worked on a shrevostat before.

Desired outcome:

Everyone would like to get the problem diagnosed quickly. Ideally, it would then be fixed and the plane could get on its way.

Attempted approach:

Ernie calls down to Wally to check out the shrevostat manual. Unfortunately, the last three revisions have not been posted, so Wally has to go search them down. When he gets them, he tries to describe a diagram over the phone to Ernie, which only confuses things. So Wally gets in a truck to drive over.

Interfering factors:

Manuals can only be in one place at one time. Paper manuals are challenging to update accurately and in a timely manner. The volume of materials is such that you can't carry them with you.

Economic consequences:

Flight is canceled. Maintenance crews are taken offline to fix the problem, resulting in overtime and other delays.

3. *A Day in the Life (After)*

Now the idea is to take the same situation, and the same desired outcome, but to replay the scenario with the new technology in place. Here you just need to capture three elements:

- *New approach:* With the new product how does the end user go about the task?
- *Enabling factors:* What is it about the new approach that allows the user to get unstuck and be productive?
- *Economic rewards:* What are the costs avoided or benefits gained?

Staying with the aircraft example, we might generate the following:

New approach:

Ernie pulls out his e-book which contains all documentation for the Boeing 737 E series, searches for shrevostat, finds the section, including the diagram, and the latest revisions, all automatically downloaded each night. There is a hyperlink in the text to a knowledge

base where actual experiences are tracked. Clicking on it, the e-book connects to the base. Ernie spots the problem in a flash, applies the fix, and the plane is on its way. (OK, actually the plane is still delayed, and I am still on it, but that's another story.)

Enabling factors:

E-books can carry essentially unlimited amounts of material. They can be updated electronically, automatically, over the Internet. They can host software tools to support text and topic searches and the like.

Economic rewards:

Set aside whether the plane flies or not. Cost avoidance lies primarily in maintenance worker productivity. But the system might pay for itself in avoided printing and updating costs.

Processing the Scenario: The Market Development Strategy Checklist

Target customer characterization is at the core of applying market segmentation strategy to the problem of crossing the chasm. It supplies the "data." Assume that we have spent a day with a group of ten or so field-savvy members of the e-book company compiling a library of, say, fifty or so of these scenarios. In this library we have captured scenarios for every current customer, every interesting prospect whether won, lost, or in waiting, as well as other interesting prospects which we might know about from past lives.

This is not a formal segmentation survey—they take too long, and their output is too dry. Instead, it is a tapping into the fund of anecdotes that actually carries business knowledge in our culture. Like much that is anecdotal, these scenarios will incorporate fictions, falsehoods, prejudices, and the like. Nonetheless, they are by far the most useful and most accurate form of data to work with at this stage in the segmentation process. Compared to SIC codes, for example, they are paragons of accuracy and integrity. Nonetheless, they are still crude at best, and now it is time to submit them to a refinery—the Market Development Strategy Checklist.

This list consists of a set of issues around which go-to-market plans are built, each of which incorporates a chasm-crossing factor, as follows:

- Target customer
- Compelling reason to buy
- Whole product
- Partners and allies
- Distribution
- Pricing
- Competition
- Positioning
- Next target customer

Processing the scenarios consists of rating each scenario against each of these issues. The process actually takes place in two stages. In Stage 1, all scenarios are rated against four "showstopper" issues. Low scores in any one of these typically eliminates the scenario from future consideration *as the beachhead segment*. That is, the niche may a good one to pursue after the chasm has been crossed, but it is not a good target for the crossing itself.

Scenarios which pass the first cut are rated against the remaining five factors. At both stages scores are awarded for each factor, and the scenarios are rank ordered by score. At the end of the process, top-ranked scenarios are taken to be the top chasm-crossing targets. They are further discussed until the team commits to one—*and only one*—beachhead target.

The italics immediately above are meant to answer the single most asked question of The Chasm Group: *Can't we go after more than one target?* The simple answer is no. (The more complex answer is also no, but it takes longer to explain.) Just as you cannot hit two balls with one bat swing, hit two birds with one stone, or brush your teeth and your hair at the same time, so you cannot cross the chasm in two places. We've already discussed this, of course, but trust me, one cannot make this point too often.

Turning back to the checklist, the four factors that raise showstopper issues for crossing the chasm are as follows:

Target customer: Is there a single, identifiable economic buyer for this offer, readily accessible to the sales channel we