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Review

Reviewed Work(s): Inside the Tornado: Marketing Strategies from Silicon Valley's Cutting Edge by Geoffrey A. Moore  
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The authors argue that speed and flexibility can be learned by Western companies. They are aware that “[t]he biggest headache for a Western company in emulating the Japanese practices is execution.... [T]he real problem lies in implementing the strategies. Western companies falter in execution” (p. 168). They refer to a crucial distinction between the effectiveness orientation of Japanese companies and the efficiency orientation of Western, particularly U.S., companies. In their words, “[the Western] company that wants to adopt the best of the Japanese approach must take a long look at what it can realistically implement with its current resources of employee skills and know-how—including the degree to which productivity and efficiency are narrowly defined and measured short-term” (p. 168). Although they acknowledge the importance of on-the-job training rotations, they fail to pursue this issue further.

In summary, despite these limitations, *Relentless* is a much welcomed addition to the existing literature on Japanese marketing. Although literature on Japanese marketing can be found in many journal articles, it is so dispersed and diverse in focus that no comprehensive understanding of Japanese marketing practices can be made. Johansson and Nonaka’s contribution lies in their comprehensive and in-depth coverage of various marketing topics unique to Japanese companies in a systematic manner. For those readers who seek knowledge of Japanese marketing practices, *Relentless* is a must reading and serves as a good reference book. Those readers who look for guidelines for applicability may still find this book useful but of limited value.

In closing, the authors should be commended for raising our awareness of the intrinsic sources of Japanese companies’ competitiveness arising from their “common sense” marketing practices. Indirectly, they also cast some doubt that marketing practices could ever be a science.

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### *Inside the Tornado: Marketing Strategies from Silicon Valley’s Cutting Edge*

By Geoffrey A. Moore (New York: HarperCollins Publishers, 1995, 244 pages, \$25.00)

Marketing technology-based products is exciting—there is no debate about that. It is full of great promise and great risk. Those with the determination and resources to stay the course find themselves in enviable market leadership positions. There are reasons and sometimes explanations why some companies succeed and some fail in this uncertain marketplace. Geoffrey A. Moore, in his new book, *Inside the Tornado*, attempts to provide strategies for companies looking to succeed in the high-technology market. His first book, *Crossing the Chasm* (1991), is a reinterpretation of Rogers’ (1962) work on diffusion of innovations. Its appeal is in its easy-to-

understand representation and explanation of Rogers’ work placed within the context of the high-technology market.

*Crossing the Chasm* and now *Inside the Tornado* are books written for the practitioner or professional market. Moore’s first book provides an explanation for those practitioners looking for a road map to understand the bumpy terrain of high-technology markets. Moore’s interpretation of the technology adoption cycle adds an important insight: Moving through the stages of technology adoption is not necessarily smooth. Moore identifies, from his experience in the high-technology industry, that moving a group of buyers from the early market to the mainstream market can create a chasm that must be recognized to navigate it successfully. Rogers’ original work points out that earlier adopters accept the risk of being early adopters and take longer to test the innovation than do later adopters. This can explain the reason for the chasm, or the cracks in the bell curve, as Moore defines it.

Revisiting Moore’s first book is important in reviewing his second. The first few chapters of *Inside the Tornado* are a recap of his revised technology adoption life cycle theory. The first book contains more detail and could help to explain questions that arise when reading the second. The first questions that came to my mind were the following: Why this emphasis on only the technology adoption life cycle? Why isn’t there an integration of well-known and recognized marketing models like the product/market matrix or the product life cycle? Strategies that are based on one model must be viewed cautiously. Moore is candid in his first book when he tells his readers that he does not have “documented sources of evidence anywhere in the book.” This is also the case in his second book, an important issue to remember when reading *Inside the Tornado*. There are examples of other practitioner books in which the author(s) have successfully cited both reference material and “sources of evidence.” Writers such as Leonard-Barton in *Wellsprings of Knowledge* (1995) as well as Hamel and Prahalad in *Competing for the Future* (1994) demonstrate that interesting and useful books for practitioners can and should integrate what is known to be sound business practice with evidence, either from case studies, personal interviews, or consulting jobs. Moore’s examples of companies that support his propositions are, for example, DEC, Oracle, Hewlett-Packard, Apple, Intel, and Lotus Notes, companies that we have read about before and that continue to be in the business press. Moore uses them and other well-known high-technology companies to demonstrate how they either did or did not use the technology adoption cycle to their advantage.

So, what are Moore’s propositions in *Inside the Tornado*? He states that he is interested in explaining how to be successful with breakthrough technology—those innovations that shift the existing paradigm or infrastructure. He takes the technology adoption life cycle and maintains that at different stages, companies must change their strategies. This is recognized in most marketing foundation texts in the sections describing the product life cycle. Moore suggests strategies that are counter-intuitive to what is currently practiced by marketing strategists in industries other than high technology.

Rogers’ model, which is based on the behaviors associated with technology diffusion, includes five main types of

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people who participate in the diffusion of new technology or ideas: innovators, early adopters, early majority, late majority, and laggards. The distribution of these types of people follows a standard bell curve. Von Hippel's recent work (1988) on lead users confirms that there are different types of characteristics inherent in how people understand and accept new technology or ideas. His work focuses on successfully working with lead users (or innovators in Rogers' work) in new product development and innovation.

Moore has added more information to this early model by characterizing the stages in a slightly different manner. The innovators are technology enthusiasts, the early adopters are visionaries, the early majority are pragmatists, the late majority are conservatives, and the laggards are skeptics. The chasm comes between the early market and the mainstream market, after selling to visionaries and then trying to sell to the early majority, where the mainstream market exists. He also adds another transition phase in the model: After a company crosses the chasm and before it reaches market leadership in the mainstream market, it must pass through the "bowling alley" to get to the "tornado" that will propel it to the mainstream market, just when the late majority is beginning to accept the product.

Moore describes each stage in terms of market orientation. The early market is the introduction of the new technology, where technology enthusiasts and visionaries can be convinced to purchase it. (His frame of reference is new hardware or software applications.) The chasm is a difficult time for a company because the mainstream market is uncertain of the value of the new technology and has not committed to it. The tornado is mass-market adoption, where the mainstream market selects from competing offerings and accepts the new infrastructure. For example, the market chose Windows over OS/2 as an operating system. However, to get to the tornado, the company and the technology also must pass through the bowling alley, where niche markets are the order of the day and special applications provide the momentum for the tornado to occur. As Moore says, the bowling alley is where people will mill around before there is a stampede creating the tornado.

The book walks through each of these stages—the early market, the chasm, the bowling alley, the tornado, the mainstream market, and the end of life—to describe the type of strategies that will lead to success and to the next stage. As an example, he believes that to prove the merit of a new technology, attacking specific niche markets one after another will lead to wide acceptance of the technology and cause the tornado. The focus of the selling activity should be on the economic buyer in the end-user community. In contrast, in the tornado stage, the focus should be on the technical buyer, those responsible for maintaining the system. Moore also recommends that when the tornado begins, demand outstrips supply and that a company should just ship. In a tornado, the distribution system is important but the customer is not. This is the time that the market decides between competing technologies and competing platforms. Then, post-tornado, when the technology or product is on main street, it becomes important to rediscover the customer and to correct any mistakes that have been made. In all the descriptions about the different phases a market will go through, Moore has not provided any signposts. He alludes to tracking sales and watching them

go up and down. There is nothing more substantial to provide signs that the market is actually moving from one phase to another. This would definitely help companies determine when to change strategies.

*Inside the Tornado* is a book with a specific audience: engineers and technologists attempting to introduce the next new infrastructure or killer application. The major problem I have with the book is its inability to connect the author's experience and opinion to mainstream marketing strategies. It is always important to challenge existing thought, and even in academic study, innovators are necessary to explore and identify new ideas and new ways of doing things. However, there is a complete lack of understanding of the importance that key relationships play in the development of new products, technologies, and markets. The success of specific new products has been studied extensively for more than 30 years, and there are some fundamental processes Moore neglects. Cooper (1993) explores the issue of success and failure of new products, and the bottom line he reaches is that the product must meet a need in the market. The importance of buyer/seller relationships, particularly in improving the new product development process, is a growing area of study (Birou and Fawcett 1994). The adoption of new technology and new products can only happen after the groundwork of research and development is done. Moore skims over this important area. The issue of what the market wants and needs requires a combination of marketing and technical skills. It is critical in the ultimate fight in the marketplace for acceptance and part of strategy development.

The first sentence in Burgelman and Maidique's (1988, p. 1) book provides insight into what Moore's book is missing: "Technology and innovation must be managed." Moore describes the marketplace and its behavior after the work in an organization has been done, after the commitment to a particular technology or platform has been made. He assumes that the company already has a superior product. The marketplace will decide what it wants. However, current thought in managing and commercializing innovation encourages companies to work cooperatively with customers and suppliers to develop new technologies and products.

Strategic market management is a complex issue for all companies, not just high-technology companies, and though Moore highlights specific differences, he does not base his propositions on a foundation of fundamental similarities (Aaker 1995). Market strategies come from recognizing internal resources, assessing external environmental issues, and understanding the market. It does not matter if this is for a new product or a new technology. Adoption of either will happen if a clear benefit is understood by and is affordable for the market. Developing and forecasting applications for new technology that could shift paradigms and change infrastructure is incredibly difficult.

The value of Moore's work is in his adaptation of Rogers' model, which is referred to in many marketing, new product development, and technology management books. His use of Rogers' approach challenges the acceptance of seminal research. Moore has taken research and added to it with insights that are based on personal experiences. The next step and challenge is to support and validate Moore's propositions empirically. This would be valuable both to



practitioners and for the advancement of knowledge in the field of technology diffusion. In addition, if Moore's adaptation holds true for hardware and software manufacturers, then testing his propositions in other high-technology industries such as telecommunications, biotechnology, or medical equipment manufacturing would continue to provide important information for both professionals and academics.

As a marketing academic and former marketing practitioner in the telecommunications industry, *Inside the Tornado* made me question several assumptions in both the book and marketing literature: Can one model help practitioners improve their chances of success? How do professionals understand and use academic research? How can academic research and study truly assist professionals, and is that an important role? *Inside the Tornado* is a well-written book, providing readers with many colorful, engaging descriptions and definitions. Personally, I would never ignore the customer. The reality is, however, that the popularity of Moore's first book means he has filled a need for a specific group of people looking for solutions to their problems. His second book is in response to the unending search for easy explanations to complex problems.

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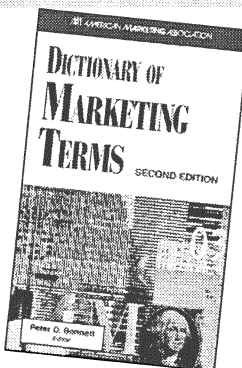
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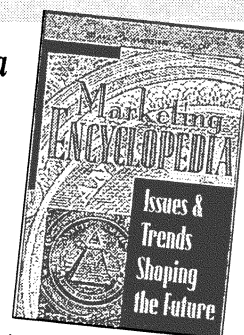
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