Module 6 (Case: Choosy)

Product Strategy for Mainstream Markets

Please click on the following links to have direct access to the modules. Module 1 - Module 15 a

M 1
(https://canvas.vt.edu/courses/168287/pages/module-1)

M 2
(https://canvas.vt.edu/courses/168287/modules/358672

▤ Overview

Welcome to Module 6! This module will last from Monday, February 20 @ 12:01 AM to Sunday, February 26 @ 11:59 PM. This unit builds on our collective discussion to identify a cohesive set of strategies for diffusing new innovations from early into mainstream markets. As we have discussed, the diffusion or spread of new innovations follows a classic S-curve pattern of change where low levels of initial growth are followed by exponential growth only to be followed by slowing growth and eventual decline. At each stage, the rate and slope of change are determined by the product-market fit determined by the features of the product, the construction of a value network, and the particular psychographic drivers of demand that are reflected in each stage of the Technology Adoption Lifecycle (TALC). Effective targeting of customers at each of these stages requires firms to adapt their strategies to the unique opportunities and challenges that are present in each stage.

One key problem emerges in the transition between the early and mainstream markets -- between two segments of early adopters and the early majority within the technology adoption lifecycle. The gap between the central preferences of these two customer segments is referred to as the "chasm" and requires firms to adapt their product/service strategy to meet the unique needs of early versus mainstream customers. Firms can target mainstream customers through constructing a "whole product solution" that builds upon a generic product core (i.e., a minimum viable product) with a series of augmentations that enhance the value proposition of the product to be more effectively aligned with the pragmatic concerns of mainstream customers. Such precise customer targeting is difficult for firms trying to move from early into mainstream markets due to the changes in customer motivation and so firms must focus their efforts on "beachhead" markets in order to gain a strong foothold in the mainstream. Firms often face significant resource constraints which limit their ability to construct a full whole product solution. In these cases, leveraging the resources of a value network to provide critical features often becomes necessary.

Overall, product diffusion strategies require agile strategic approaches in order to help firms gain access to mainstream markets. Adapting and refining product/service value propositions in order to ensure compatibility with customer expectations will require active management of scarce resources throughout the process. To help you tie these concepts and principles together, we will complete a case discussion over a new AI startup trying to figure out which markets to target as they work to commercialize their products.

🎯 Objectives

Upon completion of this module, students will be able to:

- Identify the challenges of competitive positioning of technological products/services to reach mainstream customer versus early adopters
- Analyze the effectiveness of product strategies intended to reach mainstream niche customers
- Design components of scalable diffusion strategies that will enable firms to reach mainstream customers

👤 Readings (2 hours)

Required:

- Crossing the Chasm: Cha. 5-6
- Read Choosy Case (from HBSP Coursepack)

Optional:

- **(Successfully) Crossing the Chasm with AI (Great application of CC to AI-technologies)** ↗ **(https://medium.com/datadriveninvestor/successfully-crossing-the-chasm-with-ai-ae88a0d19eb6)**
- **Crossing the AI Chasm (Slightly different take on AI)** ↗ **(https://techcrunch.com/2017/01/05/crossing-the-ai-chasm/)**

▶ Watch (15 minutes)

- **Lecture 6.1: Choosing Beachhead Markets** ↗ **(https://youtu.be/EWBCWMLEp2k)**

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(https://youtu.be/EWBCWMLEp2k)

- **Lecture 6.1: Slide Deck (https://canvas.vt.edu/courses/168287/files/26483851/download? wrap=1)**

Class Activities

- Read Overview of Module 6
- Complete Assigned Readings
- Watch Lecture 6.1
- **Quiz #6 (https://canvas.vt.edu/courses/168287/quizzes/421332)**
- **Case Discussion #5: Choosy (https://canvas.vt.edu/courses/168287/discussion_topics/1525903)**

A+ Assignment (3 hours)

These are the graded components of the Class Activities listed above.

- **Quiz #6 (https://canvas.vt.edu/courses/168287/quizzes/421332)**
- **Case Discussion #5: Choosy (https://canvas.vt.edu/courses/168287/discussion_topics/1525903)**

Recitation (1 hour)

Please note that you are not required to attend the weekly optional office hours from 7-8 PM on Thursdays. All weekly Zoom meetings will be recorded. We will be discussing the process for case discussions this week so please join us if you can. The optional session will be recorded for everyone who cannot attend. You will be able to access the video after it finishes processing (usually 24-48 hours after it is recorded) through the Media Gallery (Course) on the left-hand side of the screen here on Canvas.

- **https://virginiatech.zoom.us/j/81038408606 ⤷ (https://virginiatech.zoom.us/j/81038408606)**

✛ Optional Materials

Please find the following optional materials for the module.

- **Interview with Geoffrey Moore ⤷ (https://www.forbes.com/sites/danschawbel/2013/12/17/geoffrey-moore-why-crossing-the-chasm-is-still-relevant/#46af0b47782d)**

- **Geoffrey Moore at Harvard Innovation Lab (long version)** ⤷ **(https://www.youtube.com/watch?v=C8-qZHys7nU)**

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  (https://www.youtube.com/watch?v=C8-qZHys7nU)

- **More about Crossing the Chasm, the bowling pin strategy, etc.** ⤷ **(https://www.youtube.com/watch?v=UvZkBvszyzA)**

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  (https://www.youtube.com/watch?v=UvZkBvszyzA)