Module 4 (Case: Facebook & the Metaverse)

Module 4: Customer Perspectives on Innovation: The Technology Adoption Lifecycle

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

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 4! This module will last from Monday, February 6 @ 12:01 AM through Sunday, February 12 @ 11:59 PM.

In this module, we will start our next unit in the course on customer-centric or demand-side perspectives on innovation and technology strategy. Our main focus throughout the next few modules will center on how the psychographic preferences of customers influence the trajectory of the S-curve, diffusion pattern of new innovations. Psychographic preferences refer to the psychological and behavioral factors that influence a customer's preferences for a particular product or service. We can use these preferences as the basis for segmenting markets into a set of fuzzy categories that define the likely drivers of consumer preferences as we move sequentially through the diffusion curve. This sequential pattern of changing consumer preferences throughout the diffusion curve is called the Technology Adoption Lifecycle (TALC).

TALC is the first structural pattern that we are discussing in the course that provides a more robust way to anticipate changes in customer demand besides relying upon previous patterns of customer behavior as part of your framing strategy to understand the complexities of consumer demand. Just as disruptive innovations often "break the current pattern" by introducing new innovations targeted at customers at the fringes of markets, and in doing so, create new value networks, TALC gives us the tools to understand at a deeper level what is motiving the behaviors of these customers.

The TALC consists of five different "groups" of customers that purchase new innovative technology products and services in a defined sequence. Each of the customer groups at different stages has

different preferences and buying motives that require firms to adapt their products and services (and marketing strategies) throughout the lifecycle. And failure to adapt products and services to these unique preferences is the source of the failure of many new innovations.

To illustrate these differences, check out the differences between these two videos and note how Google illustrates the "use cases" for Google Glass differently between each iteration of the product:

Initial Launch Video ⤷ **(https://www.youtube.com/watch?v=lessjPY9gwl&t=289s)**

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(https://www.youtube.com/watch?v=lessjPY9gwl&t=289s)

Google Glass 2.0 ⤷ **(https://www.youtube.com/watch?v=5lK-zU51MU4)**

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(https://www.youtube.com/watch?v=5lK-zU51MU4)

What are the major differences between the two pitches? What has changed?

Our focus in this module will be to introduce the role of the customer and customer preferences in shaping the S-curve strategies we will implement as a firm. By gaining a deeper understanding of the psychographic drivers of innovation diffusion, we can develop a new set of framing strategies to help us develop more robust tools for disentangling the many complex drivers of customer demand for innovative new products and services.

We will apply some of these new insights to discussing the strategies Meta will need to use to build a mainstream product/platform for the Metaverse. While many people are skeptical of Meta's strategic focus of the metaverse, there are plenty of questions of how well the company will traverse the technology adoption lifecycle.

The new insights you will gain from developing a deeper understanding of the drivers of customer demand throughout the TALC will generate powerful tools for solving the complex problems of technology strategy.

◎ **Objectives**

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

- Define the "fuzzy adoption categories" of the technology adoption lifecycle
- Analyze how the different stages of the TALC require firms to adapt their strategies to new drivers of customer demand
- Evaluate the strategic choices and options Meta has trying to commercialize the Metaverse across the TALC

📖 Readings (2 hours)

Required:

- Read the overview to Module 4
- Crossing the Chasm: Introduction, Chapter 1 (please remember that this was the only book that was not included in the HBSP Coursepack due to copyright reserves. You will need to purchase your own copy through Amazon or another platform, which you should be able to do very quickly and inexpensively if you have not done so already. The third edition is optimal).
- The S-Curve and its Strategic Lessons (from HBSP Coursepack)
- Facebook & the Metaverse Case (from HBSP Coursepack)

Optional:

- **Gartner: Six Trends Driving the Adoption of the Metaverse Technology** ⤷ **(https://www.gartner.com/en/newsroom/press-releases/2022-09-13-gartner-outlines-six-trends-driving-near-term-adoptio)**
- **Deloitte: The Future of the Metaverse** ⤷ **(https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology/in-metaverse-2022-report-noexp.pdf)**

▶ Watch (30 minutes)

This short video provides an overview of the processes and strategies of achieving product-market fit.

- **Lecture 4.1: Strategies for Navigating the S-curve** ⤷ **(https://youtu.be/C0RacsyIQjg)**

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(https://youtu.be/C0RacsyIQjg)

○ Slide Deck: **Lecture 4.1: Strategies for Navigating the S-curve (https://canvas.vt.edu/courses/168287/files/26483890/download?wrap=1)**

• **Lecture 4.2: Technology Adoption Lifecycle** ▷ **(https://youtu.be/HN2AWAmAzcM)**

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○ Slide Deck: **Lecture 4.2: Technology Adoption Lifecycle (https://canvas.vt.edu/courses/168287/files/26483911/download?wrap=1)**

Class Activities

These activities cover the material, assignments, and resources covered throughout this module and are intended to provide you with a "checklist" of activities that you will want to cover each week.

• Read Overview of Module Four
• Complete Assigned Readings
• **Complete Quiz #4 (https://canvas.vt.edu/courses/168287/quizzes/421330)**
• Watch Lecture 4.1 & 4.2
• **Complete Case #3: Facebook & the Metaverse (https://canvas.vt.edu/courses/168287/discussion_topics/1525901)**

Assignment (3 hours)

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

• **Quiz #4 (https://canvas.vt.edu/courses/168287/quizzes/421330)**
• **Complete Case #3: Facebook & the Metaverse (https://canvas.vt.edu/courses/168287/discussion_topics/1525901)**

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.

- **TALC & Crossing the Chasm (Short primer)** ⤵ **(https://www.youtube.com/watch?v=Y-97AXOPzJo&t=31s)**

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(https://www.youtube.com/watch?v=Y-97AXOPzJo&t=31s)