Software Product Management

Marketing high tech products – Crossing the Chasm

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Contents

- Marketing of high tech products (Geoffrey Moore)
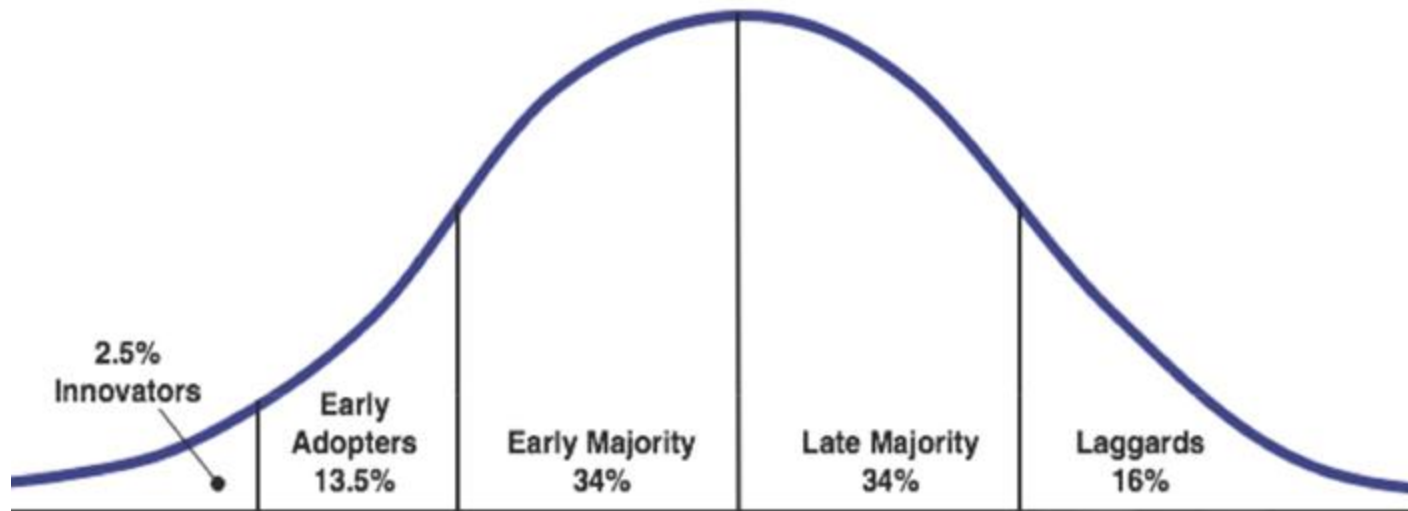
Product Adoption Lifecycle

- Product adoption goes through 5 stages
- The type of customers who buy the product at each stage differs

Technology adoption lifecycle

- Products using new technology such as AI, NLP, Blockchain, Robotics are adopted gradually

2.5% Innovators — Early Adopters 13.5% — Early Majority 34% — Late Majority 34% — Laggards 16%

Innovators

- Pursue new technology and seek them out even before they are marketed.
- They are a source of great feedback.
- Example Post-It notes: The inventor just put it on desk of secretaries. Many ignored but some tried. They became Post-It enthusiasts and gave good feedback

Early adopters

- They are visionaries. They Appreciate benefits of new technology and relate to potential benefits to their concerns.
    - Example
    - John F Kennedy launching space program,
    - Henry Ford implementing assembly line.
    - They look for fundamental breakthrough for a strategic leap forward.
    - Example: Visicalc spread sheet that came before Lotus 1-2-3
        - Early adopters liked because it allowed them to do something they have never been able to do before, namely "What-if" analysis.
        - They liked because it fell in line with some common business operations like budgeting, sales forecasting, etc.
    - Example of e-Book used by 737 pilots

Early majority, Late majority & Laggards

- Early majority: They care about quality, reliability, infrastructure for support. They Wait and see how other people are using the product before buying.

- Late majority: Wait till it has become a standard

- Laggards: Don't want anything to do with technology. The only time they buy it is when technology is deeply buried inside the product for example a chip embedded in the braking system of a car

Marketing High tech Products

- Each category looks at the previous group for reference. Hence we must satisfy the current group fully before we go to the next

- Marketing high tech products to each of these customer categories requires a different approach because their decision making is different. So we have to shift our marketing gear to cross the gap each time.

The chasm (the big gap)

The biggest gap is between Early adopters and Early majority

The *Revised* Technology Adoption Life Cycle

Innovators · Early Adopters · Early Majority · Late Majority · Laggards
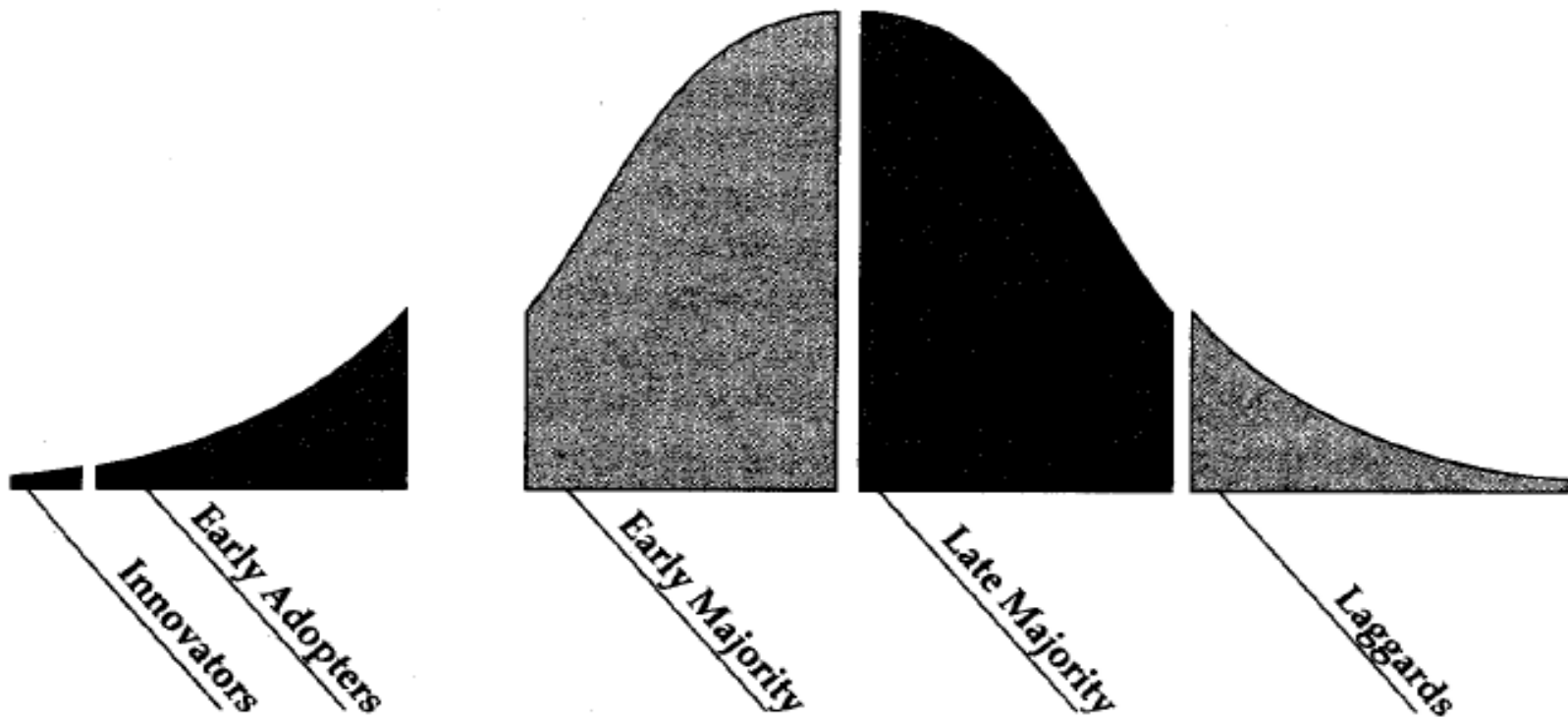
How to bridge this gap?

- Take a niche market approach.
  - Example IBM Watson. They used cognitive intelligence technology for the medical industry and within medical industry they focused on cancer. And within cancer they focused on lung cancer at at Memorial Sloan–Kettering Cancer Center. Now it is available for breast cancer, colo-rectal cancer, bladder, etc.
- Offer a whole product.
  - Example SalesForce: They did not just offer a CRM product, but they ensured that it integrates with existing IT systems of the client, the product workflows are customizable, etc.
- Be conversant with issues that dominate their business and Develop applications specific to the industry solving a critical problem
- Show up at industry specific conferences
- Get yourself mentioned in industry specific magazine articles
- Develop partnership with other vendors who serve their industry
- Earn a reputation of quality and service

Experience sharing

- What challenges have you faced / observed in marketing new technology products?

Appendix