Crossing the Chasm

Part 1: Describing the Chasm

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Technology Adoption Life Cycle

Pragmatists: Stick with the herd!

Conservatives: Hold on!

Visionaries: Get ahead of the herd!

Skeptics: No way!

Techies: Try it!

Innovators
Early Adopters
Early Majority
Late Majority
Laggards

Pragmatists create the dynamics of high-tech market development.
Innovators - Technology Enthusiasts

• **Primary Motivation:**
  • Learn about new technologies for their own sake

• **Key Characteristics:**
  • Strong aptitude for technical information
  • Like to alpha test new products
  • Can ignore the missing elements
  • Do whatever they can to help

• **Challenges:**
  • Want unrestricted access to top technical people
  • Want no-profit pricing (preferably free)
Early Adopters - The Visionaries

• **Primary Motivation:**
  • Gain dramatic competitive advantage via *revolutionary* breakthrough

• **Key Characteristics:**
  • Great imaginations for strategic applications
  • Attracted by high-risk, high-reward propositions
  • Will commit to supply the missing elements
  • Perceive order-of-magnitude gains — so not price-sensitive

• **Challenges:**
  • Want rapid time-to-market
  • Demand high degree of customization and support
Early Majority - Pragmatists

• **Primary Motivation:**
  • Gain productivity improvements via *evolutionary* change

• **Key Characteristics:**
  • Astute managers of mission-critical applications
  • Understand real-world issues and tradeoffs
  • Focus on proven applications
  • Like to go with the market leader

• **Challenges:**
  • Insist on good references from trusted colleagues
  • Want to see the solution in production at the reference site
Late Majority - Conservatives

• **Primary Motivation:**
  • Just stay even with the competition.

• **Key Characteristics:**
  • Better with people than technology
  • Risk averse
  • Price-sensitive
  • Highly reliant on a single, trusted advisor

• **Challenges:**
  • Need completely pre-assembled solutions
  • Would benefit from value-added services but do not want to pay for them
Laggards - Skeptics

• **Primary Motivation:**
  • Maintain status quo.

• **Key Characteristics:**
  • Good at debunking marketing hype
  • Disbelieve productivity-improvement arguments
  • Believe in *the law of unintended consequences*
  • Seek to block purchases of new technology

• **Challenges:**
  • Not a customer
  • Can be formidable opposition to early adoption
## Model Breaks Down at a Key Transition

<table>
<thead>
<tr>
<th>Visionaries</th>
<th>vs.</th>
<th>Pragmatists</th>
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<tbody>
<tr>
<td>Adventurous</td>
<td></td>
<td>Prudent</td>
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<tr>
<td>Early buy-in attitude</td>
<td></td>
<td>Wait-and-see</td>
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<tr>
<td>Think big</td>
<td></td>
<td>Manage expectations</td>
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<tr>
<td>Go it alone</td>
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<td>Maintain relationships</td>
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<td>Spend big</td>
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<td>Spend to budget</td>
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<td>First strike capability</td>
<td></td>
<td>Staying power</td>
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<tr>
<td>Think Pragmatists are pedestrian</td>
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<td>Think Visionaries are dangerous</td>
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Pragmatists don't trust visionaries as references
Discovering the Chasm

- **Visionaries don’t see enough of a head start**
  - Too late to be the first one
  - Too easy for “fast-followers” to catch up
- **Pragmatists see no reason to start yet**
  - Too early for anything to be “in production”
  - Reliable reference community has not yet formed
Crossing the Chasm

• **Product vendor’s problem**
  - 80% of many solutions—100% of none
  - Pragmatists won't buy 80% solutions

• **Most common vendor mistake:**
  - Committing to deliver the top 10 enhancement requests
  - But never *finishing* any one customer's wish-list

• **Solution**
  - Focus on a single beachhead
  - Accelerate formation of that segment’s whole product

**Pick one list and finish it**
*Take one target segment “all the way to bright”*
Focusing on the Whole Product

The whole product is the minimum set of products and services needed to fulfill the target customer's compelling reason to buy.
Technology Market Development Model

- Early Market
- Chasm
- Tornado
- Main Street
- Bowling Alley
- Total Assimilation
Early Market: The Project Model

- Target Customer
  - Visionary executive with authority to create new budget

- Compelling Reason to Buy
  - Dramatic departure from the status quo

- Whole Product
  - Bespoke project unique to this customer’s needs
Crossing the Chasm:
The Solution Model

• **Target Customer**
  • Pragmatist executive with authority to redirect existing budget

• **Compelling Reason to Buy**
  • Address an urgent, mission-critical problem

• **Whole Product**
  • End-to-end solution to the urgent problem
Inside the Tornado: The Standard Product Model

• Target Customer
  • Pragmatist manager with authority to spend current budget

• Compelling Reason to Buy
  • Make existing organization more productive

• Whole Product
  • Standards-based systems that just work
The Category Maturity Life Cycle
Putting Technology Market Development in Context

Market Growth

Growth Market

Indefinitely elastic

Mature Market

Declining Market

End of Life

Technology Adoption Life Cycle

Time
The Entrepreneur’s Job

• **Create the early market**
  • Have the vision
  • Sell the project
  • Do the project

• **Cross the chasm**
  • Target a niche that is ready to move first (“pragmatists in pain”)
  • Dig deep into the problem
  • Recruit an entire team to provide the whole product

• **Reach the tornado**
  • Compete fiercely to be number one
  • Recruit your replacement
Thank You

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