Technology Adoption Models
Crossing the Chasm
Introduction

Growth

Maturity

Decline

Introduction

Typical pattern, conceptually based

Diffusion of Innovation Technology Adoption Model

Cash flow critical, portfolio linked

Manageable: strategically, tactically
• Roughly corresponds classical PLC

• But, not a simple diffusion model

• The five types of buyers have radically different interests and buying characteristics
Technology Adoption

- Innovators
  - Technical
  - Visionary
  - Motivation
  - Product

- Early Adopters
  - Technology “High”
  - Competitive Edge

- Early Majority
  - Productivity

- Late Majority
  - Conformity

- Laggards
  - Compliance
  - Convenience (Ease of use)
  - Price

- Practical
- Conservative

K.E. Homa
Technology Adoption Model

- **Innovators**: 2.5%
- **Early Adoptors**: 13.5%
- **Early Majority**: 34%
- **Late Majority**: 34%
- **Laggards**: 16%

- **Sequential Development**
- **Key to “Crossing Chasm”**

Adapted from Geoffrey Moore, *Crossing the Chasm*
Crossing the Chasm

Moore, Geoffrey A.,
_**Crossing the Chasm**_
The “Chasm”

K.E. Homa
Why the "Chasm"?

Innovators | Early Adoptors | Early Majority | Late Majority | Laggards

“Immature” solution
No “killer application”

"Doesn’t work (well) … no compelling reason to buy"
So, how big is the Chasm?
Rogers’ 5 Factors
“Explain most of the variance in innovation adoption rates”

- **Relative Advantage** … degree to which an innovation is perceived to be better (e.g. favorable economics, more social status) than the idea it supercedes.

- **Compatibility** … degree to which an innovation is perceived to be consistent with the existing values, past experiences, current processes and needs of the potential adopters.

- **Simplicity*** … degree to which an innovation is easy to understand and use (intuitive appeal).

- **Trialability** … degree to which an innovation can experimented with on a limited, low commitment basis (risk reduction).

- **Observability** … degree to which the results (i.e. benefits) of an innovation are visible to others (copycat factor).

*Inverse of Rogers’ original “complexity” factor

Source: *Diffusion of Innovations*, 4th edition, Everett Rogers, 1885
So, how to Cross the Chasm?
• ‘Whole Product’
  *Debugged (relatively glitch free)*
  *Full functionality (for specific app)*

• ‘Killer App’
  *Compelling functionality that justifies purchase*
  *High apparent utility and natural ‘buzz’ factor*
Rationale
Focused design
Targeted message
Concentrated resources

Selection Criteria
Important problem, well-defined
Deep pockets, risk-tolerant
Well connected, high credibility
(Bowling Pin potential)
Bowling Alley Market Development

Customer 3
Function 1

Customer 2
Function 2

Customer 1
Function 3

Customer 2
Function 1

Customer 1
Function 2

Customer 1
Function 1

Customer References

Whole Product
Crossing the "Chasm"

Summary

• Whole product
• Compelling application
• Vertical niche market(s)
• Strong reference base

• Dominant position
• De facto standard
Inside the Tornado

Moore, Geoffrey A.,
_Inside the Tornado_,
HarperCollins, 1995

to be continued ...