
<http://www.seewhathappens.com/>

(accessed May 25, 2004)

- SAFETY!!

Feedback

- Most/least interesting cases
- Most/least interesting topics (theory)
- My teaching style
- Midterm comments

Diffusion

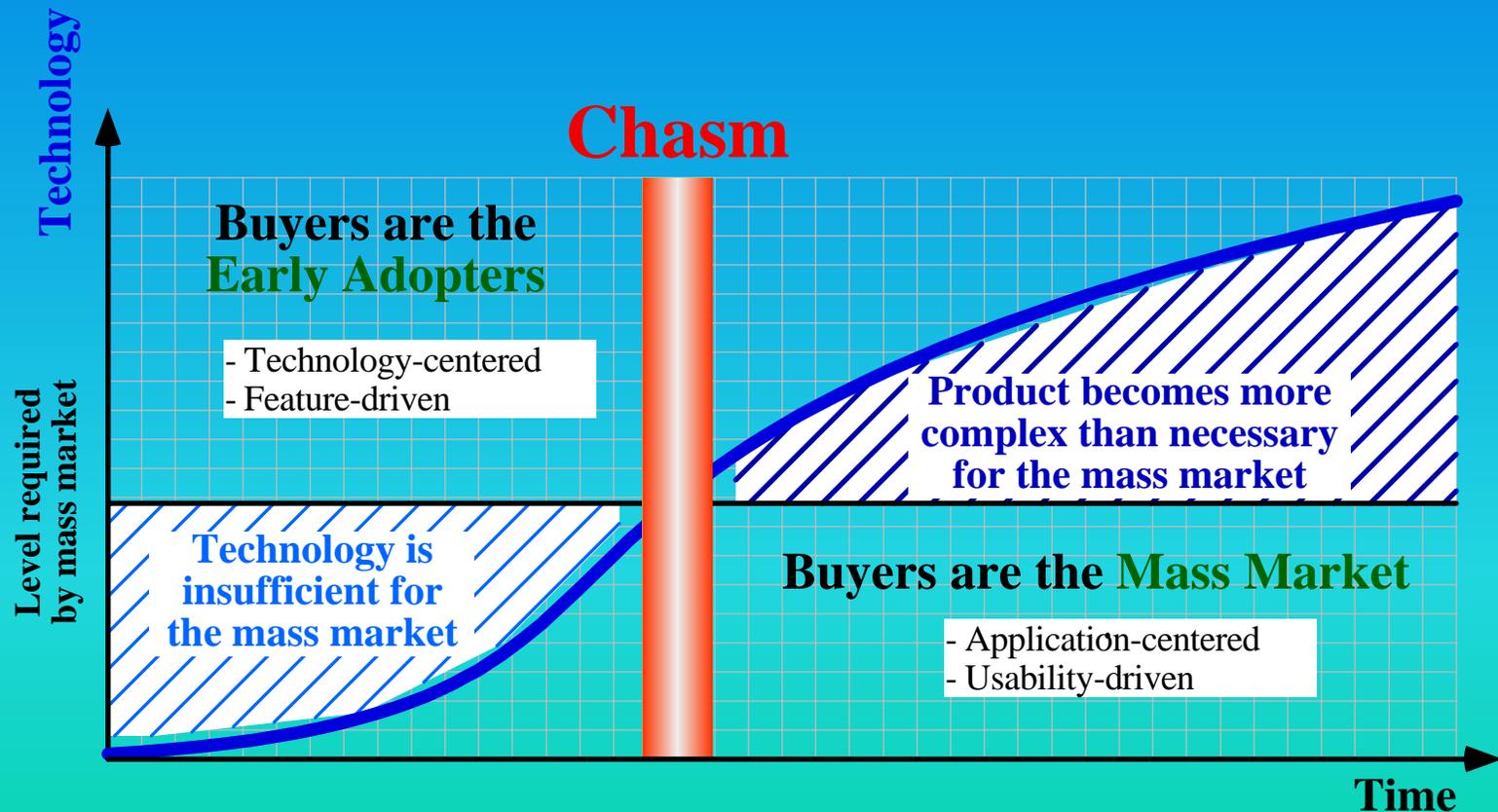
- The Chasm

*There is a **huge chasm** between the people that buy a product just because it's a new technology and the vast majority of folks who wait until it helps them in their lives.*

- Moore, Geoffrey A. *Crossing the Chasm*. HarperCollins, 1991.

Diffusion

- The Chasm



Network Externalities

	Positive Network Externalities	No Network Externalities	Negative Network Externalities
High-Tech	Computers	Space Station	Sports Cars
Low-Tech	Soft Drinks	Candy bar	Designer Clothes

Protection

Design lock-in into the product

When consumers have high switching costs, they tend to stay with you.

Strive for market share initially

Look for network effects; price skimming cannot make up for lost user base.

Enroll your complementors

Complementors increase the strength of lock-in and create more switching costs

Introduce new versions quickly

Give your competitors a moving target. Don't forget backward compatibility.

Product Development

Issues in new product introduction

- What new products you develop should depend on consumer need and your competitive advantage
- Cannibalism or preemption
 - Where is your market share coming from

Ideas are developed sequentially

- Funnel. Start with a lot of ideas and test
- Do more and more sophisticated tests as you go along
- The internet causes market tests to be much cheaper
 - AOL: market research service, consumers who volunteer can get free time on AOL

Product names

- Have signaling potential for
 - Quality / Usage /Location
- People prefer Lamoure yogurt to Limor
 - Tastier, more cream
- Name needs to be easily remembered
- Very careful about meaning in other languages – Chevy Nova
 - Very hard to change names later

IDEO

Stories
