

Technology life cycle

Life



All new technologies go through a technology adoption life cycle in which certain market groups adopt the product before others are willing to do so. Here is each of the market groups: Innovators, early adopters, early majority, late majority, and laggards. Innovators in a general sense, is a person or an organization who is one of the first to introduce into reality something better than before. That often opens up a new area for others and achieves an innovation. They pursue new technology aggressively, learning about and evaluating new products in an effort to be first.

They're also relatively few in numbers—so for marketers, they represent a major key to the marketing campaign. Next down the list, early adopters are visionaries, not technologists. They are found at ease when imagining, understanding, and appreciating the advantage of new technology. When it comes to high-tech products, they're looking for vital breakthroughs, not minor improvements. They rely on their own intuition and vision to make their buying decisions, which make them the key to opening up a high-tech market group.

Following, early majority customers are centered on the linking of practice and theory. The early majority know many of the upcoming inventions are just passing fads. They let the early adopters test the new technologies and post their experience with it to establish solid references. Approximately one-third of the adoption life cycle is early majority that is why this market group is the key to substantial profits and growth. Next, late majority adopters are conservative. They're content to be followers, and often are not comfortable in their ability to handle new technology.

They tend to wait until something has become standardized and seen a lot of support. Like the Early majority the late majority comprise about one-third of the entire buying population. This makes for high profitability, while its profits decrease as the produce matures, so do the selling costs, and virtually all the R&D costs have been amortized. Last of the cycle is laggards, this group are considered skeptics. They are very late adopters and in some cases they never adopt. If they do end up buying a new technology they tend to overlook it because it is a bi-product of another product.

Realize that you're not going to sell to this audience until very very late in your product life cycle, most likely when your product has become well accepted. In summary of the technology adoption life cycle, this cycle shows that technology is accepted in the community in stages which relates to the mental and collective understanding of the five groups that make up the community. The high-tech marketing model is a strategy that uses the technology adoption life cycle as the source to examine ways to market a product.

It works by starting with the innovators by building a reputation and then moves to the next group, the early adopters, in hopes of the innovators compelling the early adopters to get on the "bandwagon". The process continues all the way to laggards. The key to keep this process moving smoothly is to maintain a momentum, which makes it more natural for the next group to buy into the product. Another key is to keep up with the current technology by taking in the phrase "window of opportunity." Competitors can easily overtake your market if the momentum is lost.

The high-tech marketing model is a smooth transition that goes through stages of the technology adoption life cycle. If you can get there first, and establish a standard through the beginning of the cycle you gain a monopoly over the market in which you could gain high profits throughout the cycle and establish a sustained product. A good example of the previous concepts being used is the Lotus 1-2-3, which was the first spread sheet for IBM PC. The Innovators first started using lotus 1-2-3, stating that it was “ slick” and “ fast”.

Subsequently, the early adopters started using it because the new things they can do with it, such as the “ what if” analysis. Next on the bandwagon, the early majority, they started using it because of its uses with common business operations. As it started to become standardized the late majority eventually fell into line. By the end of the 1980s it was pretty much the only standard program used for spreadsheets. There are several cracks in the technology adoption life cycle, from the innovators to the early adopters, from the early adopters to the early majority.

But the latter happens to be the most challenging and an unrecognizable division chasm. The transition goes unnoticed because that in both groups the customer list and the size of the order can look relatively the same. The products that the early adopters buy, is some kind of change agent. Being the first in the industry gives a head start on the competition. When we move on to early majority they want to buy a productivity improvement for their current operations. Ultimately, they want evolution. This eventually leads to a catch-22.

In a catch-22 situation the early adopters have already caught on and it has been publicized. In the end the product seems to never get past the early adopter group. When the promoters of high-tech products try to move on from their early adopters group, they leave the early majority without a reference and support. This chasm has made many marketers fail in the past. The early market is what the staff members interpret as sales of increasingly smooth curve, but in reality it is an initial blip and not an emerging mainstream market unfolding.

Companies can fail when their managers don't notice the transition from early adopters to early majority. This leads to high expectations and too much time spent on expansion rather than husbanding resources. This result in an illusion of high-tech marketing, which is the belief induced by the high-tech marketing model that new markets unfold in a continuous and smooth way. While trying to avoid perils of the chasm, a new state needs to be established to examine and correct the flaws that are associated with the technology adoption life cycle. In turn, this provides a secure basis for marketing development with minimum problems.