



Marketing of innovative products and technologies

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Part 1 of 2

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What is an innovative product or service?

Technical vs. Market-related
Evolutionary vs. Revolutionary
Sustaining vs. Disruptive



Sony PS2 game console



Pioneer Multi-disc Player

Listening the Market

Visioning the Market



Satellite Radio



Apple iPod

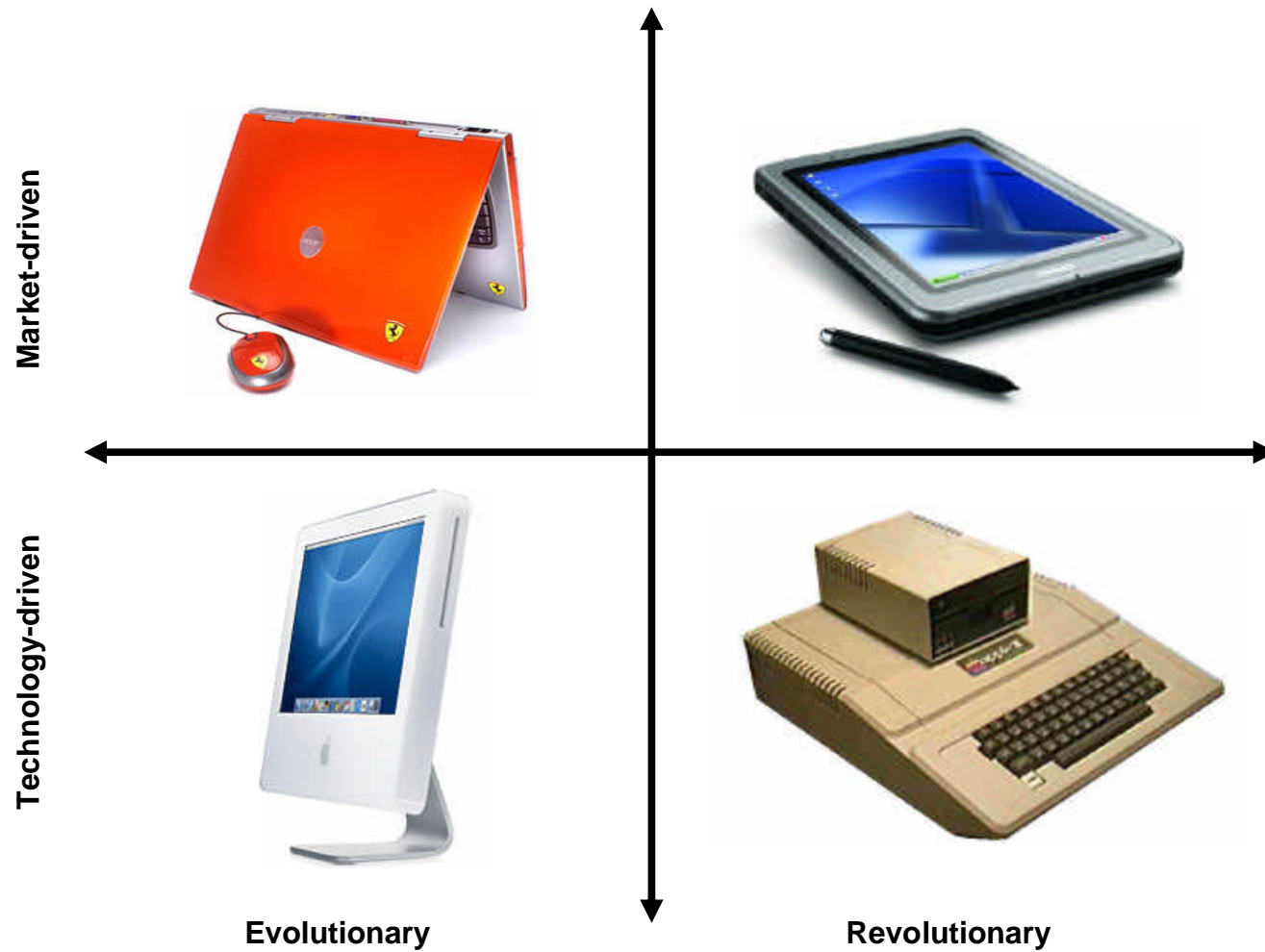


Honda Robot

An evolutionary product is one that is an extension of an existing technology and is usually backward compatible.

An revolutionary product is one that does not offer compatibility but offer leapfrog performance improvement.







Digital camera phone



Heat generating garment



4G video phone

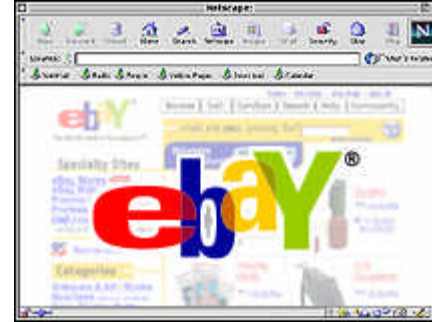


IP Telephony

Sustaining technologies improve the performance of established products along mainstream markets requirements.

Disruptive technologies under perform the market in the short term but have features that only small segments find valuable.

Market-driven



Technology-driven



Sustaining

Disruptive

Examples of innovative products that represent quantum leaps

A prototype "phone tooth" that can be embedded in a molar and receive phone calls designed by James Auger and Jimmy Loizeau



Segway, a self-balancing personal transportation device designed by Dean Kamen



Rocking Horse Toilet designed by Perry Dickson using the nostalgic familiarity of the rocking horse which facilitates a thorough expulsion of waste.



Amphibious Sports Car Aquada designed by Gibbs Aquada can reach up to 100mph on land, uses a jet to propel it through water at 30mph.





**Technical innovations
involve creating
knowledge of
components linkage
between components,
methods and
processes.**

**Market innovations
involve knowledge of
channels,
applications and
consumer needs and
expectations.**

Seven common reasons why innovative products and technologies fail

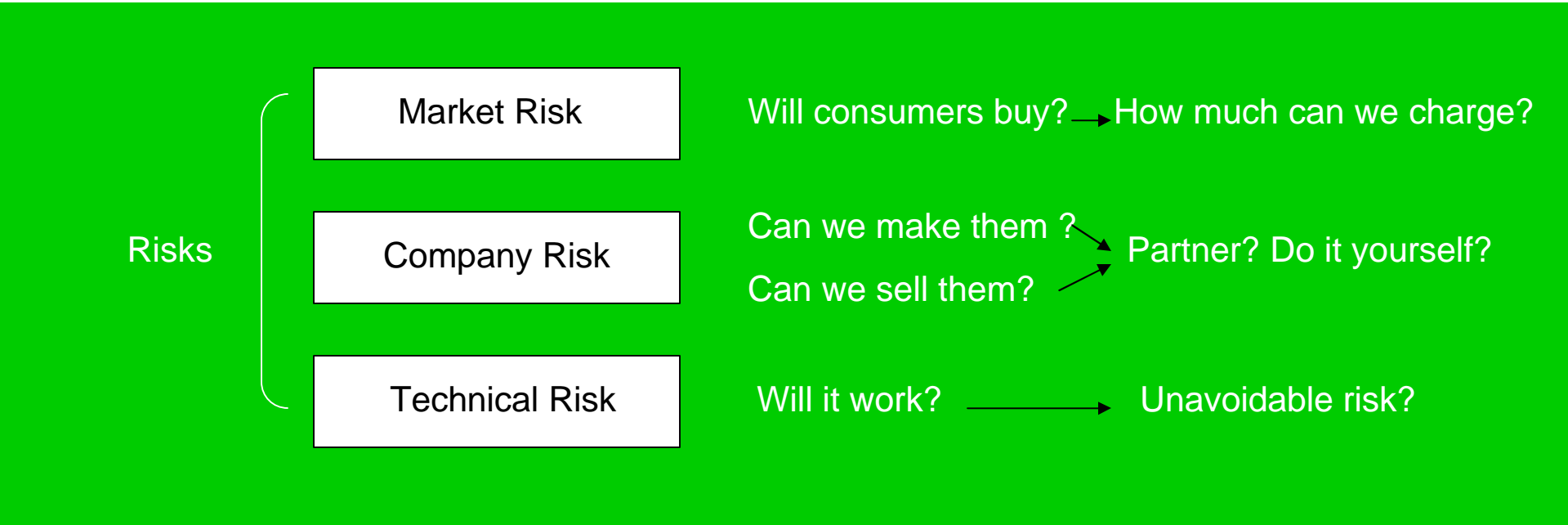
- not linked to an exciting and worthwhile market opportunity**
- application does not fully demonstrate its market potential**
- lack adequate knowledge and resource to drive adoption**
- core market constituents for gaining acceptance are not mobilized**
- products not shown or understood in context**
- consumer adoption rate curve is miscalculated**
- application limited to a small niche market and is not for the mass**

The key is to see marketing of innovative products or technologies as a process of “value recognition” and need to start very early in the process. Innovation alone does not create value, marketing role is to recognize the value by matching it to customers whose needs can be met.

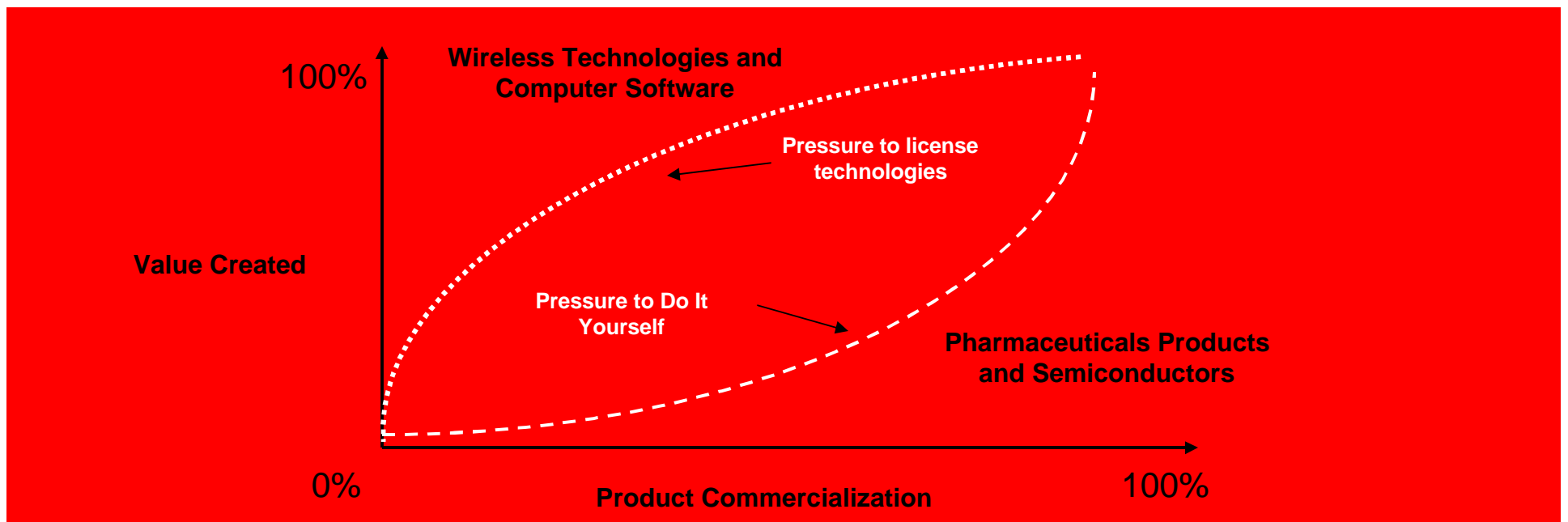
Getting to the “functional threshold” -- a point at which product use is demonstrated successfully and its value within the context of any particular group of use is clear.

It means conceiving the right platform, branding, vertical industries or categories.

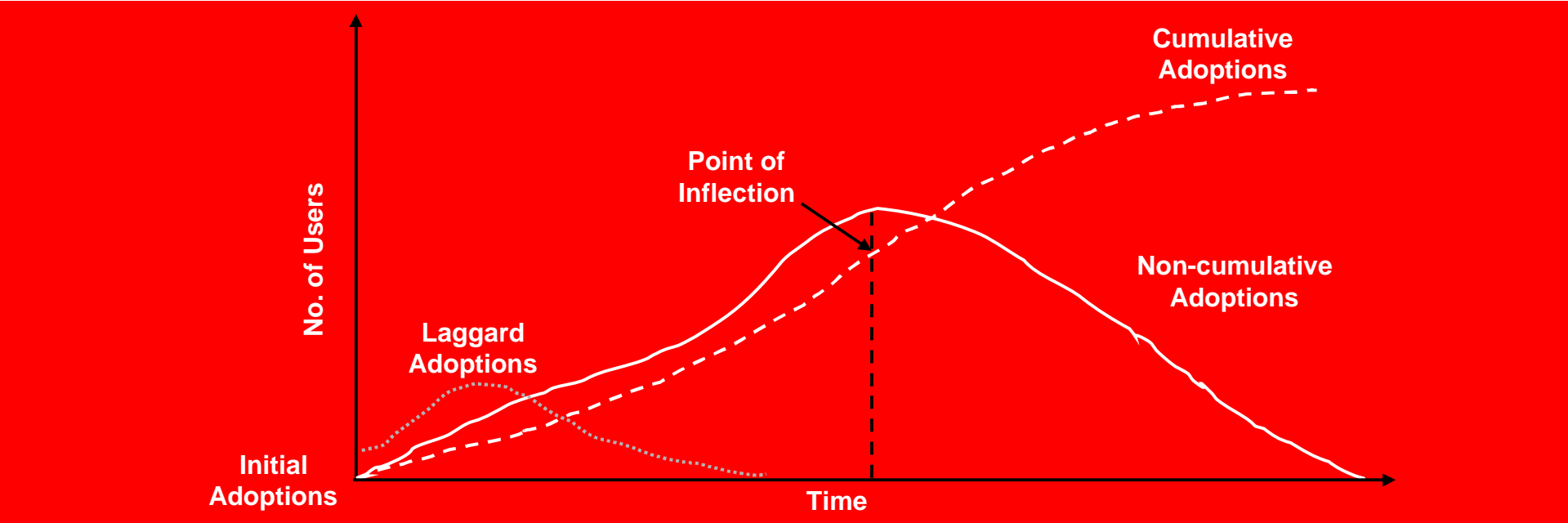
Understanding nature of risks



Understanding the nature of value creation process



Modeling the innovative technology diffusion process



Three things you can do to improve your chance of success

1/ Step back from your company business boundaries and consciously look beyond the initial context for which products or technologies was developed.

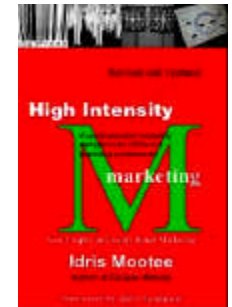
Three things you can do to improve your chance of success

2/ Try to avoid predictive bias by defining applications from use standpoint, that is the preoccupation with current collective dominant logic so to avoid mega-mistakes

Three things you can do to improve your chance of success

3/ Construct and map out a detailed portfolio of applications that optimize ROI over time. Build different market adoption scenarios and see how that changes the ROI picture.

Innovative products are not intrinsically marketable. They need marketing. It means mobilizing and selling to market constituents up and down the value chain, align their interests and design a way to share the potential benefits. Many are too focused on their technical developments and often ignore this critical stage.



Thank you

Part 1 Ends. Break time 45 Minutes

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