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Launching and re-launching high technology products

C. Easingwood [a,*], S. Harrington [b]

[a] *Manchester Business School, Department of Marketing, The University of Manchester, Booth Street West, Manchester M15 6PB, UK*
[b] *EMEA, IBM eServer Group, New Square, Bedfont Lakes, Feltham TW14 8HB, UK*

Abstract

This article attempts to describe the main strategies that are available to the manager of a high-tech product at three defining points: the launch; the development of the whole product; the re-launch. Normally introductory efforts are focused on the launch stage only. It is argued that the re-launch should be an integral part of the introductory strategy, signalling a new phase in the development of a product. Before being re-launched, the 'whole' product must be developed so as to appeal to the pragmatists in a sector in the mainstream market.

It is argued that the launch stage and the re-launch stage are best thought of as comprising four steps: market preparation, targeting, followed by positioning and finally the execution or attack step. These four steps are common to launch and re-launch but the tactics adopted within each are quite different.

Keywords: Marketing of technology; Launch; Re-launch

1. Introduction

A high-tech product goes through several phases during its life cycle during which it appeals to different audiences: initially it is adopted by the 'visionaries' and technical aficionados who accept the high risk involved in being first with revolutionary innovations; eventually, if it survives that long, it is purchased by the risk-averse main market who always wait until a product is proven and widely accepted before they will use it or deploy it in their companies. But success with the first group does not guarantee success with the second group as products such as Sony's Betamax video players, IBM's OS/2 software, pen-based computers, and countless word processing programs have shown. A successful launch does not necessarily lead to a smooth take-up by the rest of the market. The follow-on stages must be planned as carefully as the launch stage if overall success—and profits—are to be achieved.

Due to their technological nature, high-tech products have a particularly difficult time delivering these returns. Some products take so long from the time of their initial launch to their transition to the mainstream market, that they seem to disappear altogether. ATM (Asynchronous Transfer Mode) network technology, electric cars and desktop videoconferencing are all currently in this category. The product may have enjoyed some modest initial success but this initial success is not maintained as it struggles to find a niche. It may be popular with some leading edge (or simply plain curious) 'techies' and with a few far-sighted managers but there simply are not enough of them to sustain its momentum. Its early promise is not maintained. Sales soon collapse as the product fails to catch on with the mainstream. It has entered a period of transition, called a "chasm" by Geoffrey Moore, during which momentum is lost, see Exhibit 1 (Moore, 1998). Strategies are needed to cross the chasm.

The launch stage for a high-tech product can appear at the time to be a make-or-break point in its product-life cycle; but of equal or more significance is the moment when it attempts to cross the chasm between revolutionary innovation and technology innovation. Dramatic transitions such as this mean an attack on a completely different audience, and may even require a complete reversal of marketing tactics (Moore, 1999, pp. 9–12). This is the opportunity for a re-launch.

The re-launch should be an integral part of the market-

* Corresponding author. Tel.: +44-161-275-6482; fax: +44-161-275-6464.

E-mail address: ceasingwood@man.mbs.ac.uk (C. Easingwood).

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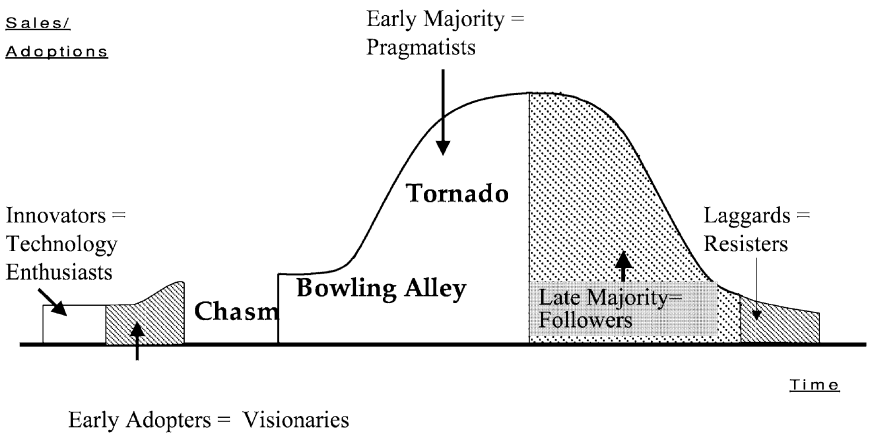

Exhibit 1. The Technology adoption curve (Moore).

ing strategy, signalling a new phase in the development of a product. Just as a second-stage booster rocket gives new impetus to a spacecraft and sends it to a new orbit, the re-launch can be used to redirect a high-tech product when it is ready to exit the chasm into the mainstream. Before being re-launched, the 'whole' product must be developed so as to appeal to the pragmatists in a sector in the mainstream market. Thus there are three stages to be planned: the launch; the development of the whole product; the re-launch.

This article attempts to describe the main strategies that are available to the manager of a high-tech product at these three defining points.

It is argued that the launch stage and the re-launch stage are best thought of as comprising four steps (Exhibit 2). The first step, market preparation, involves readying the 'market' for the change, where the market may include other companies as well as customers. The next step is targeting, followed by positioning based on the expected competitive advantage offered. The final step in the process involves execution or attack and consists of the strategies that are often the most visible part of the mix, taken to achieve specific results. These four steps are common to launch and re-launch but, as we will see, the tactics adopted within each are quite different.

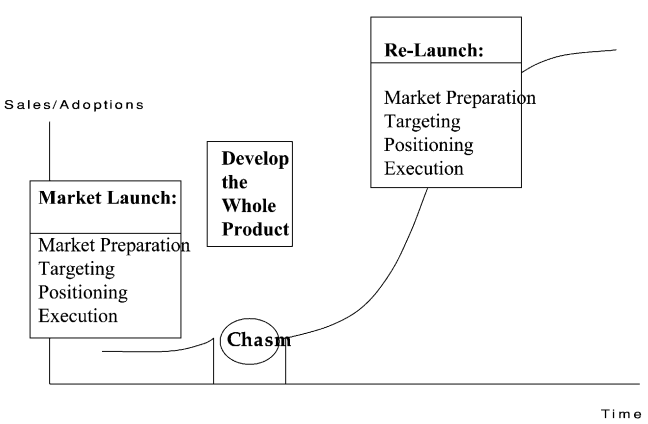

Exhibit 2. Launch, whole product, re-launch.

2. Stage 1: The launch

When handheld computers (personal digital assistants, or PDAs) were introduced by Microsoft in 1993, not even Bill Gates would comment on their future or possible applications. The introductory announcement focused on technology and features. This signalled the arrival of a revolutionary innovation (PC Week, 1993).

Because high-tech products are built (and often marketed) by technical rather than business people, they are normally launched at this early stage. Developers are so excited about their new discovery, and vendors about their technology leadership, they cannot wait to get the product into the market. The focus is on convincing technology enthusiasts and early adopters to 'try it out'. Quite often, the vendor is not sure of the practical benefits, but is trying to market the innovation based on its newness, cleverness, and potential uses—whatever they may be. The launch stage is thus a time of excitement, quite justifiably, and of optimism, usually less justifiably. It is rarely a time of well thought through planning and implementation. If the product *is* to be taken-up by early adopters and technology enthusiasts the following steps should be taken (Table 1).

2.1. Launch: market preparation

Market preparation is intended to prepare the market for the new technology, to build awareness, and most importantly to form relationships.

2.1.1. Co-operation/licensing/alliances

Market preparation strategies are used to prepare the market, usually in advance of the more direct strategies. In many cases, the way in which the marketer chooses

Table 1
Some launch strategies

1. Market preparation	
Co-operation	IBM licensing its hard disk drives to OEMs
Pre-launch information	Intel releasing details of MMX technology based Pentium -II chip
2. Targeting	
Current customers	IBM Software Group targeting the Global 5000 largest customers
3. Positioning	
Technological superiority	New computer components: bonded modems, storing units, copper chips
4. Execution	
Cultivate a winner Image	Microsoft and the no expenses spared world-wide launch of Windows 95

to set up the market is crucial. Some form of co-operation is increasingly seen not as an option but as a necessity! Few companies can go it alone, at least not where the launch of major technology is concerned.

A common form of alliance forming is to share the new technology with other equipment manufacturers (OEMs). This increases the awareness of the product and the technology, as well as boosting sales via expansion into new markets. IBM developed two powerful hard disk drives, TravelStar 8GS and 3GN, for its own ThinkPad notebooks but decided in addition to license them to Acer, Gateway 2000, Dell Computers and other OEMs which plan to use the drives in their portable PCs. This market preparation tactic enables the producer to retain full ownership of its technology while at the same time expanding market potential beyond its own marketing capacity, albeit at a reduced margin.

2.1.2. Provide pre-launch information

When the product, the technology, and its applications are new, pre-launch information is an essential element of market preparation. At this stage the vendor must attract the technology enthusiast and early adopter who will give the technology credibility and probably discover new applications for it.

These target groups should be informed through articles in technology trade publications in advance of the launch. Carefully timed press releases (even leaks) can heighten the anticipation for the new technology. The vendor's brand is not important at this time, except perhaps to enhance its reputation as a technology leader to its existing customers.

It is also essential to inform the vendor's own internal personnel about the technology. Early adopters and visionaries demand lots of attention and information about the new technology, and will expect the vendor to provide it. These customer-intensive tactics at launch require a well-informed internal sales force if the product is ever to get off the ground (Beard and Easingwood, 1996).

Deciding on what type of information that is to be released before launch can be a key tactical decision in the product launch. The information that is to be released has to be planned carefully in advance so as to arouse sufficient interest in the new product without giving away too much in a market where imitation can materialise with lightening speed. External markets that typically need to be informed before the launch include the distribution network, the service suppliers (e.g. software houses), and the media who in turn inform potential customers.

Recent examples are: Intel releasing details of its new MMX technology based, Pentium-II chip; articles appearing on the Macintosh NC, Apple's forthcoming network computer, based on information released by the company on its powerful new chip, PowerPC 750.

2.1.3. Educate the market

A particular form of provision of pre-release information deserving special mention is an education programme. This is ambitious and longer term than the above strategy and used less frequently. This is exactly what Intel did in the early days of the micro-chip. Rather than marketing the product directly—there were just too many sectors with too many applications for that—it set about educating the various sectors on the potential of the technology. It left the sector specialists with their much greater in-depth knowledge to work out how it might be used in their particular sectors.

However, education has to be managed and timed carefully otherwise the company sells the vision before it has the product to deliver the vision. Not surprisingly, smaller companies shy away from trying to educate markets leaving it to larger companies with their greater resources and longer planning horizons.

2.2. Launch: targeting

Adoption of a new technology is likely to be faster if the marketing strategy is compatible with the segment targeted. Easingwood and Lunn examined the diffusion of telecommunications products and found that clearly targeted products diffused more rapidly than non-targeted products (Easingwood and Lunn, 1992). So targeting at this early stage is important. Two target groups are particularly promising.

2.2.1. Target innovative adopters ('Techies' and 'Visionaries')

This strategy is based on the familiar model, the technology adoption life cycle. Identify innovative adopters because they are prepared to buy without seeing the pro-

duct up and running elsewhere. They do not insist that the technology should have a 'track record'. Moore divides these early buyers, comprising only a small percentage of the total possible market but potentially having considerable influence, into technology enthusiasts and visionaries (Moore, 1998). The 'techies' come first. They are intrigued by technology and will explore the product's potential for themselves. Their endorsement is vital because this means the product does in fact work. The visionaries are the managers with clout, often very senior, who can see the product's potential for overturning existing ways of operating and thereby delivering significant value and competitive advantage to those organisations prepared to grasp the new technology.

Technology enthusiasts and visionaries, although placed together in this group, are very different in some regards. The techies are excited by the technology itself, whereas the visionaries need to see the potential: some single, compelling application, which utilises the full potential of the new technology. The visionary is motivated by the potential the technology offers, of a significant leap forward, not by the newness of the technology per se.

Visionaries are a rare breed. They not only have the vision to see the potential when no one else can, but they also have the management drive and charisma to persuade the rest of the organisation to back the vision.

A good thing about visionaries is that they are anticipating a radical discontinuity between the old ways and the new and realise that this rarely happens smoothly and so will tolerate the glitches and setbacks which will inevitably occur before this is achieved.

The only way to work with visionaries is to use a small, high-level sales force (Moore, 1998). Visionaries are usually hard to identify but are worth searching out. They start the ball rolling. Visionaries are constantly looking to leverage technology and so typically maintain good relationships with technology enthusiasts, so this segment should definitely not be neglected. The good news is that techies can be reached fairly easily through the technical and business press. It is the techies' job to stay alert to all developments, wherever their sources, not just to focus on their own industry.

2.2.2. Target current customers

Now if it is true that high-tech innovations are initially targeted firmly at technology enthusiasts and early adopters with vision, a good place to find both groups may be in an existing customer base. When the vendor does have the advantage of an extensive group of existing customers this may be a fruitful place to start looking for both techies and visionaries. They are likely to have tried other products from the company in the past and be willing to provide a test site for the new product.

This strategy is obviously most appropriate for well-established companies. Thus it makes good sense for IBM Software Group, one of the world's leading software companies, with very strong customer relationships with many of the Global 5000 largest companies, to think first of its current customers.

Targeting existing customers is a strategy particularly appropriate for rapidly changing and advanced technologies. Adoption of a complex technology often only takes place when there is a high degree of mutual trust between buyer and supplier that can only be developed over time.

2.3. Launch: positioning

Some new technologies are so specialised that targeting and positioning strategies are virtually redundant, so unambiguous is the strategy. Other new technologies are so wide ranging in their potential applications that the market itself will determine the best positioning and target segments. Most fall between these two extremes and some positioning guidance is therefore required if the market is to respond. Although a number of positioning alternatives are possible, when launching a brand new technology the key one to focus on is 'technological superiority' (focusing on 'benefits' is more likely to work better at the re-launch stage).

2.3.1. Emphasise technological superiority

A technologically superior position is the single most important tactic in this early market. The innovation must be carefully positioned as revolutionary, technologically superior and able to give an exclusive technology-based competitive edge to the early adopter. The enthusiast must be able to see a practical application for it (even if the vendor does not!) and anticipate usage that is heavy enough to reward the investment of time and effort necessary to make it work. And some prestige must be afforded to the visionary for his/her foresight in adopting this technology ahead of the mainstream.

Emphasising the technological superiority of a new high-tech product is commonly used of course. When technology is changing rapidly and perhaps radically, it would seem that positioning the product on the basis of the latest technology built into the product should reflect the product's true raison d'etre.

Technologically advanced products are usually priced higher than old-style products For instance, in the computer components manufacturing industry, new products such as "bonded modems", storing units, and copper chips justify their premium pricing by their advanced technological features.

2.4. Launch: execution

Execution is the final stage and therefore the one that completes the product's projection into the marketplace, designed to trigger a positive purchase decision. The

strategies used depend on the objectives of the launch itself, which in turn depend on the state of technology and the awareness the market has of that technology. For a very new technology, which the market is unaware of, execution will tend to focus on conveying the generic benefits of the technology. At the other extreme, where the technology is well known to the market, the launch objectives will focus more on establishing a brand name and establishing competitive advantage.

It is not generally worthwhile investing hugely in the launch stage (unless you are Microsoft and are launching Windows!) because a period of time in the 'chasm' is to be expected and the subsequent re-launch will provide the opportunity for a major programme of execution strategies. However, cultivating a winner image can work sometimes even at this early stage.

2.4.1. Cultivate a winner image

This strategy involves spending big initially to establish the product as the clear number one. Microsoft is the company perhaps most clearly associated with the successful use of this strategy, and indeed the high cost of the strategy means it is almost exclusively associated with large organisations. However, even Microsoft uses it only as and when appropriate.

Sometimes it is recognised that it is too early to attempt to cultivate a 'winner' image. The market may simply not yet be ready to bestow this position on any product. It is also expected that there will be a period of time during which the market's commitment to the product will be tentative until the 'chasm' has been successfully negotiated and the 'winner' will be the company that can successfully emerge from the chasm into the mainstream market, but that will be some time ahead.

The first step to navigation of the chasm is development of the 'whole' product.

3. Stage 2: developing the whole product

With the innovation successfully launched into the early adopters' market the vendor is basking in some well-earned success and waiting for the orders to roll in. The enthusiasm for the technology is high: the product has been installed in one or two key universities and all the technicians at the major IT conferences are talking about it. It is true that sales are a little slow, but this will all change as soon as the momentum gets going…. Unfortunately this experience is all too common. A product launch may be one of the most exciting times in the life of a product manager, but even after a carefully planned and flawlessly executed launch, the excitement sometimes ends all too soon as sales flag and the innovative new technology fails to enter the mainstream market and deliver the expected returns.

The product has entered the 'chasm', where it can languish interminably unless action is taken. Time in the chasm should be anticipated in the launch plan. It should be used to round out the development of the innovative product so that it is palatable to a specific target segment. The innovation should now be enhanced with additional hardware, software and services, so that it becomes a whole product that the mainstream market can install and use with a minimum of fuss and, importantly, almost at no risk. (Obviously, the company cannot stop while all this development is going on. A well-managed business plan would have one product in the chasm while another is bringing in profits from the mainstream market).

This is the product preparation stage, where the product is transformed into a "whole product" which a carefully selected target market can implement without additional development.

A good source of inspiration may be the visionaries and techies who will decide for themselves how they will use the technology and will in many cases cobble together a whole product of sorts that solves a business problem for them. To prepare for the mainstream, the vendor should benefit from this experience and prepare a 'real' whole product that can be marketed to a carefully selected segment using proven technology and, if necessary, other vendors.

However, it should be recognised that this interpretation must be carried out by the company; the target market will not do it for the company. The point to be emphasised here is that what the mainstream market wants is fundamentally different from the wants and needs of the early adopters' market. Reference sites of visionaries—essential for success up to now—are of limited value to the conservative buyer. To paraphrase Geoffrey Moore: *Visionaries see with their eyes closed. The mainstream likes to see with its eyes open* (Moore, 1999). The mainstream wants the complete opposite of the visionary: proven technology, with a solid, practical application, preferably using open standards (standards are anathema to the visionary). The mainstream also wants to buy from the market leader. If this transition is not a carefully managed stage of the launch plan, the product is destined to remain in the chasm—just as a rocket with no boosters might leave the launch pad, but would never go into orbit.

It is argued that a well-prepared re-launch can be just as strategic—if not more so—as the initial product launch. Although a re-launch can occur at any time during the product life cycle, this article focuses primarily on the transition from a revolutionary innovation in the early adopter phase to a technology innovation aimed at a specific new segment of the mainstream market, as this is where most products need a boost.

4. Stage 3: re-launch

As with the initial launch, phases of the re-launch are inextricably linked. The first step is that of market preparation.

4.1. Re-launch: market preparation

The preparation of both internal and external markets is important to the success of the re-launch. This can be most effectively done concurrently with the whole product development so that the product exits the chasm into a marketplace that is waiting for it (Table 2).

4.1.1. Internal preparation

The re-launch will focus on a narrowly defined target market. It is critical to educate internal sales and marketing staff so that they buy into the concept of focusing on this market, and no others. They must be fully trained not only on the benefits and merits of the product for the target segment, but also on the merits of focusing on that segment—including its related segments—by not wasting resources on trying to market outside the targeted segment or segments at this stage.

Many companies are too impatient to enforce this discipline—and consequently fall at this hurdle.

4.1.2. External preparation

As the product enters the mainstream, openness and conformance to industry standards is seen as a bonus. The mainstream market does not want to get locked into proprietary solutions.

IBM's OS/2 never seriously competed with Windows in the market for PC operating systems, despite some technical advantages, partly because IBM kept the interfaces proprietary. Too many applications that ran on Windows could not be ported to OS/2, and a whole product was impossible to supply. Microsoft opened its interfaces to allow vendors to develop application software for Windows. Customers did not have to develop the solutions themselves, Windows took over the market and IBM was ultimately obliged to withdraw OS/2 altogether.

For the initial launch, special distribution requirements were not rated as an important part of market preparation. For a re-launch, the delivery of the whole product is critical. It is important to be able to identify distribution channels that can support this goal. These will include value-added resellers (VARs) who can supply and install the whole product, even if some of the components come from different vendors.

4.1.3. Co-operation/licensing/alliances

Companies strike up alliances and licensing arrangements in the expectation that they will thus establish the technology as a standard and that this will lead to a boost in sales. Customers are reluctant to adopt when faced with competing and incompatible technologies. Customers realise that markets rarely allow two competing technologies to thrive and do not want to make the mistake of adopting a technology which the market ultimately rejects. Thus they hold back until a leader begins to emerge and then concentrate around it, further reinforcing the leadership position and condemning the others to decline.

Companies also sometimes form alliances to try to establish their own technology as the standard in order to pre-empt a rival, and in so doing avoid having a competing standard imposed. This was very much the reason for Psion, Motorola, Ericksson and Nokia forming the consortium called Symbian agreeing to adopt Psion's computer operating system called EPOC in the hope that this would become the industry standard for the next generation of wireless communication devices, such as mobile phones and palm-top computers. The alliance is an attempt to prevent Microsoft's Windows CE operating system in consumer electronics from becoming the standard.

Table 2
Some re-launch strategies

1. Market preparation	
External preparation	Identify VARs to support the whole product
Co-operation/licensing/alliances	The Symbian consortium (Psion, Motorola, …) in wireless communication devices
2. Targeting	
Target the 'kingpin' segment	Psion working with Lotus and Nokia to develop the 'whole product' for business travellers
3. Positioning	
Position the company	IBM as 'friend' to other companies, including competitors
4. Market execution	
Get references in the targeted segment	Chrysler installing IBM's CAD/CAM

4.2. Re-launch: targeting

4.2.1. Target the kingpin segment

If positioning was critical to the success of the launch into the early market, careful targeting is essential to enter the mainstream market. This new market is very big—and risk averse. Its buyers are more conservative than those in the early market. They prefer references from within their own *industry*, not from the technology consultants revered by visionaries. They will only listen to others if they are in similar industries and only then will they enthusiastically adopt the proven technologies that they endorse.

Moore likens this to tenpin bowling (Moore, 1999). The idea is to target one industry or sector by offering it the whole product, customised to meet exactly its own particular needs. If this industry can be successfully targeted then others will follow, just as other pins fall in tenpin bowling once the kingpin is toppled. The kingpin industry becomes an enthusiastic adopter and supporter of the new solution and influences purchasing decisions in related industries. For example the pharmaceutical industry might be chosen as the kingpin market and the whole product designed for use in that sector, which becomes an enthusiastic adopter.

Then, perhaps at inter-sector user groups, members of this group influence representatives from the chemical manufacturing industry who may recognise its relevance to their own sector and adopt it. They in turn would recommend its adoption to people in the food processing industry, and so on. What these industries share is a common need to transfer data to the regulatory agencies and often use similar technology to manage links with government. Soon a major market develops with the innovating vendor as the market leader. As this example illustrates, the initially targeted industry must be chosen with care (Moore, 1999).

To maximise the benefit from the bowling alley, the early segment should be chosen with the following characteristics:

1. It is an attractive and growing segment.
2. It has influence with related segments.
3. The vendor can develop a whole product while in the chasm that exactly meets the needs of this segment and that can also be adapted for related segments.
4. There are enough related segments to accelerate into a market that the product can dominate.

If this segment is not researched sufficiently carefully, either the whole product will not completely meet its needs and therefore languish in the chasm, or the vendor will be very successful in a segment that is too small to have any real impact or influence on the wider market.

The market research conducted in order to choose this segment and prepare the whole product is probably the most important the company will do. If the target market is not chosen correctly, the whole product will be built on sub-optimal assumptions.

It wasn't until Psion was able to work with other vendors such as Lotus and Nokia to develop and market specific applications—diary functions, e-mail, spreadsheets, address-books, fax—aimed particularly at mobile sales forces that the PDA became a whole product and really took off, leaving competitors mired in the chasm.

Potential buyers in these segments, usually called the 'early majority', but 'pragmatists' by Geoffrey Moore, adopt after the techies and visionaries but are far more numerous. They often are located in large organisations with a clear need to adopt new technologies to retain or improve competitiveness, but a reluctance to do so. The dislocation involved in switching the whole organisation across to the new technology is so high and the required investment is also high that they are risk averse. People in this group are reasonably comfortable about taking on new technology but only when some well-established references exist. Their preference is for evolution, not revolution. They are looking for something that can be slotted into existing ways of doing things: "if the goal of visionaries is to take a quantum leap forward, the goal of pragmatists is to make a percentage improvement—incremental, measurable, predictable progress" (Moore, 1998, p. 42).

Marketing to pragmatists is, according to Moore, a matter of:

- attending the industry conferences and trade shows
- getting frequent mentions in the industry magazines
- being installed in other companies in their industry
- developing industry-specific applications
- having alliances with other key suppliers to the industry

As Geoffrey Moore observes, pragmatists like to hear companies talk about their new products as 'industry standard'. What they hate to hear is products described as 'state-of-the-art'. This makes them extremely edgy.

4.2.2. Target early adopting sectors

Sometimes it may pay to focus on innovative sectors. For instance, USDC developed an active-matrix flat panel display screen—in effect the first 'paper-quality' screen, as each pixel is linked to its own transistor—and targeted the product at some of the world's leading Air Forces, a sector with a pressing need for the latest technology and a history of early adoption of leading-edge technology.

In the telecommunications sector, NTT has developed Digital Photo System, a means of globally transmitting a digital photo via cellular phones to a laptop computer and from there to a printer in about 10 s. The service began to be adopted when aimed at the newspaper and insurance sectors both of which need to speed up the time taken to process photographs globally.

4.2.3. Target competitors' customers

While the initial launch focused primarily on the vendor's own customers, the re-launch should be targeted at the competitors' customers as well. Due to the bowling alley effect, the product is earning a reputation as a market leader in its targeted segments, which will accelerate its acceptance. This is the window of opportunity to win market share, so the emphasis should switch from own customers to competitors' customers. They can present a clear opportunity especially when the com-

pany's own product is competitive and the competitor has a large market share.

In the pharmaceutical industry, Amgen has pitched its new hepatitis C treatment drug, Infeger, at those customers for whom the existing treatments such as Schering–Plough's Intron A or Roche Holdings' Roferon A have not been successful.

4.3. Re-launch: positioning

Since a re-launch, by definition, means that both the product and the company have some kind of presence in the market, proper positioning becomes crucial to ensuring the chosen target market, which has not yet accepted the product, now does so. Two kinds of positioning come into play during a re-launch: product positioning, and company positioning. To exit the chasm: (a) the product must be a whole product that reduces the cost of doing business for the customer, and gives him a reliable competitive advantage (see Stage 2) and (b) the vendor must be perceived as a market leader *in that niche* and the re-launch strategies must reinforce this. Some of the main positioning considerations to achieve the latter are:

4.3.1. Position the product

The product is positioned as a proven answer to a specific business problem confronting the target segment. It has been built especially to give a competitive advantage to *that market*. It carries a premium price which includes *everything*. VARs will supply and install the whole product for the customer. Thus it has the technical superiority and exclusivity required by this market, but because industry references have been obtained, it is perceived as a safe bet. It is no longer an innovation (though it is still innovative) but has now entered the mainstream—at least for this leading edge segment.

4.3.2. Position the company

In this technological age, no vendor (not even IBM) can prepare a whole product by itself. If it has the hardware, it will need software vendors to help round out the product. If it has the hardware and software, it will need industry specialists to provide special applications, such as SAP. It will also need VARs, distributors, and possibly retailers to help supply the whole product. Part of the successful re-launch is a company's ability to present itself as a 'friend' to these other companies, even though in other guises it is their competitor. Thus, IBM supports Microsoft software, HP printers, Sun servers, and Cisco networks even though it has similar products of its own. Microsoft having been brandied a 'bully' in the US courts, has seen the error of its ways and is now wanting to be the industry's friend, actively seeking to support innovative developments from other companies.

4.4. Re-launch: market execution/attack

The execution or market attack stage is more pronounced at the re-launch stage than at the launch stage. If the targeting, preparation, and positioning have been done, the attack phase almost takes on a life of its own. The key ingredient to any successful attack is *timing*. Apart from obvious timing considerations such as peak seasons, the attack cannot commence until the market and whole product are ready. There is only one chance to get the strategy right. If the vendor misses this chance, there is a danger of generating a need that cannot be fulfilled—and giving a competitor the opportunity to take the market!

The first phase of the attack is to do everything possible to support the rapid dissemination of the product's problem-solving reputation, and to ship as much of the product as the market demands. This is not the time to underestimate demand! The vendor wants to establish itself as the brand leader and its product as the *only* solution to this unique customer problem. Some of the execution imperatives are as follows.

4.4.1. Stay focused

The hardest part is to keep the marketing and sales forces focused on the target segment. Wanting to win sales, they will be tempted to expand beyond that segment. Just as dividing up troops too thinly in a battle can lead to disaster, moving into segments for which the product was not designed can deplete scarce resources, cause marketing, sales, and development to pull in different directions, compromise the reputation of the 'whole product' and lead to disaster.

4.4.2. Build relationships with VARs

Building relationships with Value Added Resellers, who can complete the entire package, bring the whole product to market, and expose it to other markets, while margins remain high is absolutely crucial.

The targeted segments should provide enough sales opportunities to keep the VARs busy—at high margins—until the product can be streamlined, commoditised and shipped to the low-margin aftermarket.

4.4.3. Get references in the targeted segment/segments

Before the mainstream market will accept a technology innovation, it wants references, not from technology innovators, whom they don't trust, but from other members of their industry, particularly industry opinion leaders. Stories will be exchanged at seminars and discussion groups. There should also be case studies and win stories in the industry publications read by the customers (*not* in the IT trade press read by the vendors!). Vendor specialists should attend and speak at conferences and user group meetings for the customer. Public

endorsement by opinion leaders in the industry is critical, supported by PR.

It makes good sense to get the support of word-of-mouth and opinion leaders because, as Geoffrey Moore states, "No company can afford to pay for every marketing contact made. Every programme must rely on some ongoing chain—reaction effects, what is usually called word of mouth". (Moore, 1998, p. 29). Word-of-mouth is informal of course and so is much of the endorsement by opinion leaders but the support of opinion leaders, who are industry rather than public celebrities, can also be taken on board more formally i.e. in advertising or via appearances at company seminars.

Winning just one single large and influential customer can be a rapid stepping stone to success. After Chrysler installed IBM's CAD/CAM technology, other car manufacturers soon followed.

4.4.4. Create a 'winner' image

Reputation is important at the time of the initial launch but becomes much more important at the re-launch stage. Buyers at this stage are more conservative than in the early market and are looking, herd-like, for a standard, fully supported solution. It is important to establish credibility as *the supplier of choice* for the solution to the problem in the chosen sector and then in the related sectors. It is important to be the first to establish this reputation because the market wants to support just one solution.

At this point in the life cycle, the vendor is serving a niche *nobody else has identified with a product nobody else has.* It is easy to make friends in such an environment. Everyone wants a piece of the action. If you are the market leader for that segment, the customer will ask for you. By the time your competitors recognise the threat, your company has a strong—and unshakeable—foothold. While vendor reputation was seen as only occasionally important in the initial launch, it is absolutely essential in this type of re-launch.

4.4.5. Form tactical alliances

It is sometimes sensible to encourage the formation of informal or 'loose' alliances (Arthur, 1996), arising through mutual advantage. This is because it is increasingly the case that technological products rarely stand alone. They depend on the existence of other products and technologies. A good example is the World Wide Web with groupings of businesses that includes browsers, on-line news, e-mail, network retailing and financial services. These networks of products and services that support and enhance each other have been called 'mini-ecologies' (Arthur, 1996). Technological ecologies are increasingly the basic frameworks of knowledge-based industries, and companies have to secure themselves a place in these loose alliances around a mini-ecology.

So, in summary, a successful attack should result in bowling pins falling in rapid succession as segment after segment buys into the whole solution. The customer will buy the proven solution from the known vendor. The challenge is to be able to keep up with demand and not allow the competitor in the door.

As anyone languishing in the chasm is likely to tell you, this is a nice problem to have.

5. Conclusions

Too often the re-launch of a hi-tech product is viewed as a last-ditch effort to revive a flagging product, undertaken without adequate preparation, instead of being seen as a natural and predictable stage of the product's evolution. It has been argued that understanding—and leveraging—all three major phases (launch, development of the whole product, re-launch) of a hi-tech product's life-cycle can make a huge difference to success, measured by such tangible terms as profit and market share. By using proven marketing tactics and studies to better prepare the initial launch, and by planning the re-launch stage into the overall marketing strategy, the life cycle phases can be used to propel a product to its potential.

Introducing new technology is the first opportunity the marketplace gets to experience the new product. The manner in which the introduction is handled is critical. Everything has to come together in what is usually one or two narrow windows of opportunity. Get these wrong and there may be little time to put things right. By this stage, the investment in the new technology may be considerable and yet the chances of rejection or indifference are high. A number of strategies designed to reduce the risks of failure have been proposed. Technology intensive products and services are at the leading edge of many western countries' economies. By examining the range of options included here it is hoped that the manager can help the new technology take its intended role in these economies.

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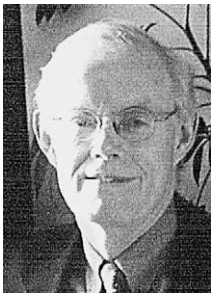

Christopher Easingwood is Professor of Marketing and Head of the Marketing and Strategy Group at Manchester Business School. Chris Easingwood joined Manchester Business School in 1982, having previously worked in consultancy and management services both in the UK and Australia. He has a PhD from the Wharton Business School, USA. He is an active researcher in a number of areas including services marketing, financial services marketing, marketing of technology, customer relationship management, new product development and product marketing.He has approximately 70 publications with many articles appearing in leading international journals such as Marketing Science, International Journal of Research in Marketing, Journal of Business Research, Business Horizons, Industrial Marketing Management, Journal of Product Innovation Management, Service Industries Journal and the European Journal of Marketing.

Shelley Harrington is the Marketing Strategy Manager for IBM's eServer Group in EMEA. She began her career in Silicon Valley in 1973 as a software developer, moving to the UK in 1984 to market it and the hardware it uses in Europe. During her career she has been involved in the launch and relaunch of servers and personal computers; the use of distributed and centralised computing; new generations of application software and operating systems, and the ongoing relaunching of the internet as a tool for e-business.