

Introduction

The technology adoption lifecycle (TALC) describes how a market develops for a new product category. Understanding TALC helps business managers focus product management, develop future marketing strategies and allocate resources for radically innovative products (also known as discontinuous innovations).

<https://www.marsdd.com/mars-library/technology-adoption-lifecycle--talc/>

1. The Early Market

1. The Early Market (consists of visionaries and technology enthusiasts): The market at this stage consists of visionaries and technology enthusiasts. The technology enthusiasts (often referred to as "innovators") fundamentally believe that new technology is better than existing technology and will therefore always be amongst the very first to adopt new products. Visionaries on the other hand believe in technology as a path to competitive advantage and thus aggressively adopt any new technology to further their business..

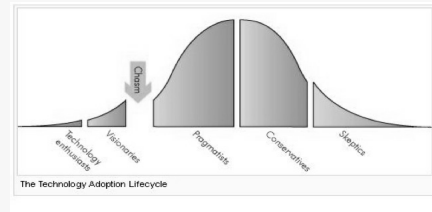
2. The Chasm

In the chasm the product category encounters a pause in market development. The length of the pause depends on how radical the disruptive innovation is. The pause occurs often as a result of weak or incomplete value chains and because pragmatists (mainstream market) do not trust visionaries as a reference. The success of the product category depends on the pragmatists' view of the outcomes of the pilot projects initiated by the Early Market. In this phase, entrepreneurs need to analyze current pilot projects and developments to understand how an improved offering can serve niche markets in order to gain momentum in the next phase of market development.

3. Bowling Alley/Pragmatists:

In this phase of the lifecycle, the innovation appeals to customers within narrowly defined market niches, who are conservative but open to new ideas, and who are influential and active in the community. The product category now appeals to specific niche markets. The sales to these niche markets are predictable and provide high margins. However, outside of the niche markets, sales are opportunistic and may require mass product customization to meet individual client needs. At this point, industry analysts and media may begin to follow the development of the product category..

TALC Bell Curve



While the bell curve has long served as an illustration of the market development process for a new product category, Geoffrey Moore introduced the notion of a "chasm" in the market development process for radically innovative products in his 1991 book, Crossing the Chasm.

4. The Tornado/Pragmatists

The Tornado represents the stage where the market development expands outside the niche markets of the previous phase and develops into a mass market. Here we see a period of rapid growth that generates mass appeal amongst the pragmatists and early adopters, as the product has penetrated a variety of market segments. Vendors are eager to supply this product category and this creates a war for market share which in turn brings down prices. A market leader will eventually emerge at this stage and enjoy shorter sales process, better margins and more media coverage than the competition. The technical analysts now scrutinize the strengths and weakness of each industry player..

5. Main Street/Conservatives

Here the market has entered the mature stage of its lifecycle, experiencing declining growth rates. The declining prices appeal to the conservative/late majority consumers. These customers tend to be more risk-averse than previous segments. The reason they purchase the product is to avoid a competitive disadvantage. At this point, to secure a viable future within niche markets, some competitors modify their offering while others compete solely on price. The focus of the media changes from discussing the product category and its players to the market itself..

6. Total Assimilation/Skeptics

At this stage, near the end of the lifecycle, it is the laggards or skeptics who embrace the product. Some after-sale services offered by marketers will provide lingering revenues; however, a new technology category has begun elsewhere to capture the market. By this stage, the interests of the media and analysts have changed and evolved.