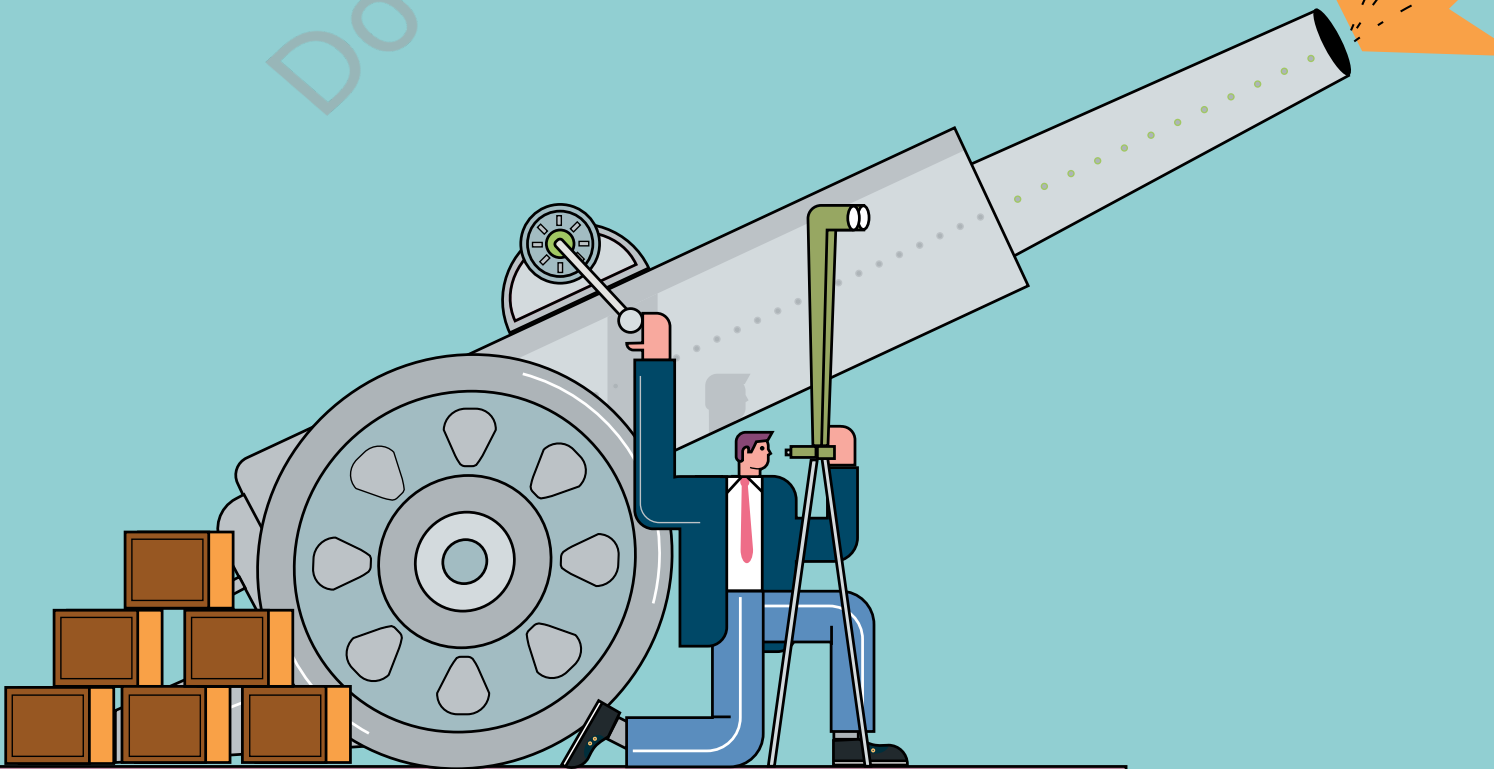


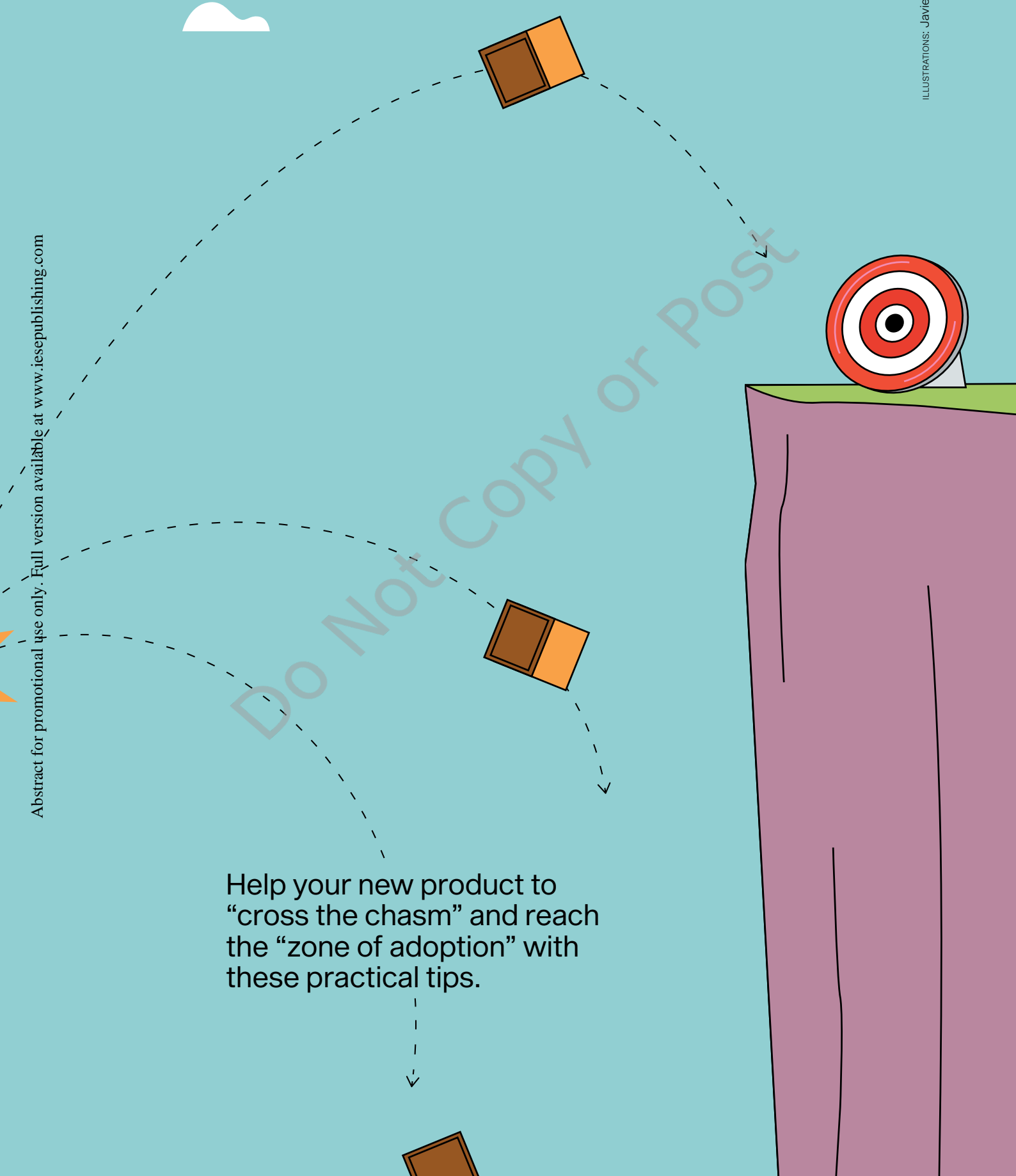
New product launch strategy

Mix novelty and familiarity to move from niche to mainstream

By Diego Zunino, Stine Grodal and Fernando F. Suarez



Help your new product to
“cross the chasm” and reach
the “zone of adoption” with
these practical tips.

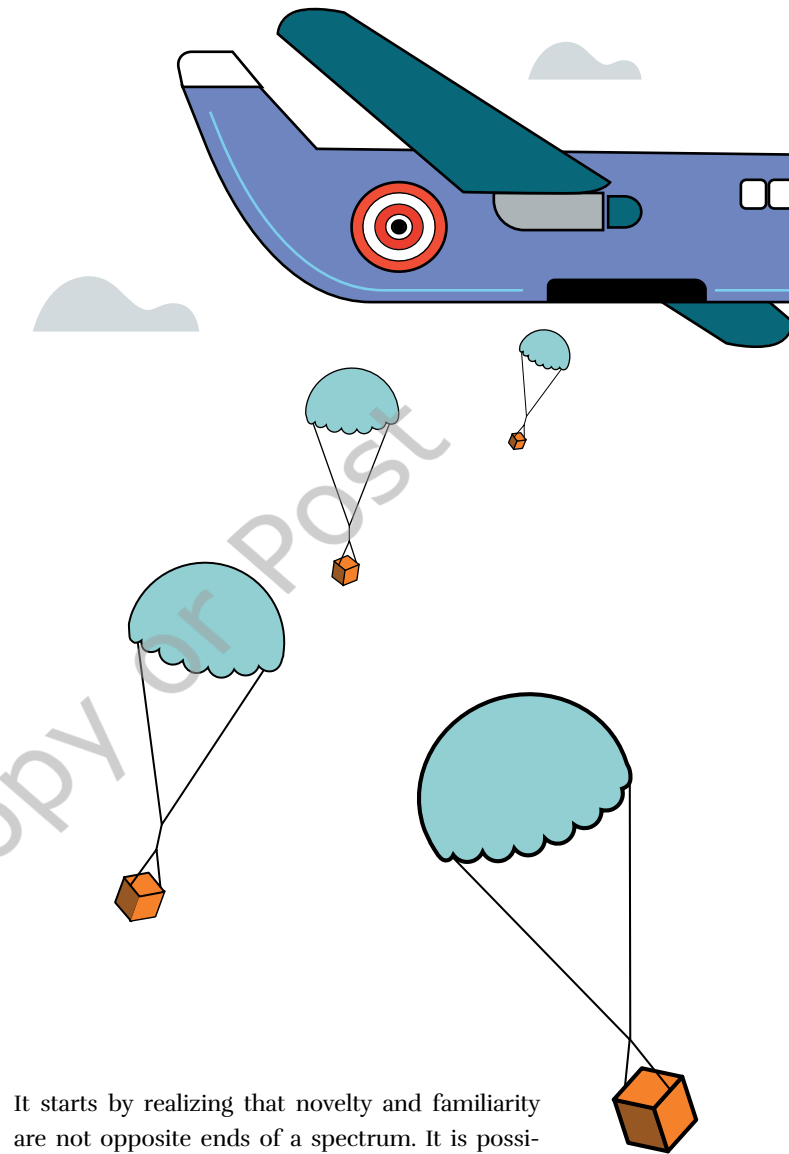


For years IBM has used its advertising muscle to promote Watson, its AI software that it promised would usher in a radical new era of “cognitive computing.” But mainstream customers remain puzzled: What’s “cognitive computing”? And other than famously beating humans at playing *Jeopardy!*, what does Watson actually do? And how is it any different from other AI products on the market?

IBM’s Watson problem is not unique. Many companies fail to reach mainstream markets because they fail to manage a fundamental conundrum: How to make a new product appear both novel and familiar at the same time? Play up the novel features and consumers may reject the product for being too unusual; focus on the familiar and consumers may not see any reason to switch from their preexisting favorite. This is especially tricky when introducing genuinely disruptive products. While there will always be a niche of early adopters who will enthusiastically embrace anything new, making the leap to achieving wide-scale interest and adoption from the more conservative mainstream market is a much tougher sell. Overcoming this hurdle is what Geoffrey Moore referred to as “crossing the chasm” in the title of his 1991 book.

We have explored this issue in our own research of dozens of industries, studying the category labels that firms and entrepreneurs use when introducing new products in emerging market spaces, including the smartphone industry between 2000 and 2010. Our analyses show that maximum market adoption happens when labels strike a delicate balance between being familiar but not too familiar, novel but not too novel.

To improve your own firm’s chances of “crossing the chasm,” we recommend some specific strategies to overcome the sense-making challenge that can thwart customers’ adoption of a firm’s new products.



It starts by realizing that novelty and familiarity are not opposite ends of a spectrum. It is possible to convey both – but you need to get the mix right. Emphasizing one at the expense of the other frequently results in lost opportunities. In your product design and communication strategies, you need to be mindful of both. **Exhibit 1** summarizes the main challenges and tensions, which we explain in this next section.

Too much novelty

Novelty evokes surprise or curiosity, which is a precondition for trying out and later adopting a product. You could say that every new product that wants to be successful has to be novel. However, too much novelty can kill curiosity and create what we call “the cost of dissonance.” Consumers become confused as to what the product actually is, which makes them reluctant to try it.