

Chapter 2: Answers to Questions for Review and Discussion

5. How can market-sensitive internal publics improve a firm's competitiveness?

If the internal publics have an interest in pursuing the strategy of the firm, if they know how to pursue this strategy, and, often, if they have the authority and capacity to make improvements themselves to strategic initiatives and to their execution, then they will tend to take actions that improve performance. If they are customer oriented then many of their improvements will tend to result in more value to customers. A market-driven firm can instill a sense of ownership on the part of each individual that can contribute value to the total offering.

6. Should technology play a major role in your approach to your customers? Why, or why not?

In business-to-business marketing, the marketer can get caught up in the product's technology. This is reinforced as the marketer markets to technophile and visionary customers. Once the market evolves to the point where the marketer needs to address pragmatists, the marketer must understand that the technology becomes secondary to the benefits or solutions that the customer organization will receive. Marketers and sales personnel need to make sure that the benefits are truly valuable to pragmatists and that communications are couched in terms that focus on these benefits. Relationships built on technology can be subject to the technology's obsolescence.

9. What market characteristics make it unlikely that pragmatists will easily follow the role model of visionaries?

Pragmatists generally need to have two things in place before they will adopt. They need the existence of a fully functional offering that has been proven to work. Secondly they need assurance that offering has been tried successfully and that adoption represents a minimum of disruption to their operations. Visionaries are not good references for pragmatists because they adopted the new technology before it was formed into a fully functional "whole product." They generally created just the disruption within their organizations that the pragmatists hope to avoid. Consequently, pragmatists do not have anyone to look to as a reference at first, thus contributing to the chasm. Note Question #6, above.

10. Relate the PLC and the chasm, with particular emphasis on the market factors that undergo change from introduction to rapid growth of an offering.

The chasm generally occurs very early in the growth period of the product life cycle. The chasm – the period in transition – occurs because pragmatist buyers are not yet satisfied that a "whole product" exists or has been proven. Marketers have not yet found and developed the segments in the pragmatist market that are most likely to adopt. Until they do, the growth part of the product life cycle will not take off. After pragmatist buyers begin to buy, the suppliers of the new products much undergo rapid and wrenching changes internally. The supplier must shift from a start-up to a growing company, with procedures more standardized and more "professional" management. This can involve several cultural as well as structural changes. As markets grow,

the firm may embrace a decentralized decision structure, develop an infrastructure to achieve economies of scale, and redesign the offering in face of new economic realities of competition and high volume. Outside the organization, the competitive environment will change as more competitors enter the market that has now been demonstrated to exist.

Many of the company's employees may find that their skills are more adaptable to smaller organizations and may elect to leave; at the same time, the organization must recognize that the skills required of employees in a growth oriented, high volume company may not be possessed by the current staff.