

Initiate **Social Change** and/or **Introduce New Products/Services/Ideas** into the Marketplace by...

'CLOSING THE CHASM'[™]

Between Early Adopters (Opinion Leaders) and the Mainstream

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The Late **Everett M. Rogers, Ph.D.**

The acknowledged '*Father of Diffusion Theory*'

Abstract

Diffusion Theory caught on in the marketing and promotions disciplines in the 1960's and 70's; to this day, however, **Diffusion of Innovations**¹ is generally perceived as being "interesting" (due to its potential), but "*not very useful*". Why? Because, historically, 8 out of 10 new products introduced to the marketplace, or new ideas introduced into any social system, ultimately FAIL.

Yet, such an outcome is NOT necessary; in fact, assuming a new treatment of an established paradigm that is embedded in Diffusion Theory (called "Chasm Theory")² is properly administered, up to 8 out of 10 new ideas, products, or services introduced into the marketplace or any social system **will succeed**. The new treatment is called, "**Closing the Chasm**"[™].

The key to implementing any adoption model, including the *Closing the Chasm* paradigm, is being able to identify Early Adopters (also known as OPINION LEADERS) in the respective target market, niche market, market segment, or other social system. To date, however, this has not been possible. Why?

¹ Rogers, Everett M. (1995). *Diffusion of Innovations* (4th edition). New York: Free Press.
Also, http://en.wikipedia.org/wiki/Diffusion_of_innovations

² Moore, Geoffrey, A. (1991). *Crossing the Chasm* (Revised Edition), New York: Harper-Business, a division of HarperCollins Publishers.

Diffusion theory holds that Early Adopters (opinion leaders) in any social system comprise 13.5% of any given target population; furthermore, the PROFILE of Early Adopters is well documented and has been detailed in each version of Dr. Everett Rogers' *Diffusion of Innovations*. Unfortunately, almost without exception, when employing the profile of Early Adopters in market research, this subset turns out to be between 48% and 52% (as opposed to 13.5%)...thus, "not very useful".

SRI (Strategy Research Institute) has developed an algorithm that has, for well over a decade, successfully identified those in the **Early Market** (based upon Geoffrey Moore's Chasm Theory), which is comprised of Innovators and Early Adopters. With this form of "intelligence" in hand, combined with employing *Relationship Marketing* strategies and tactics, the success ratio for introducing new products into the marketplace and new ideas into social systems can be reversed from 8 out 10 failures to as much as 8 out 10 successes.

The discussion below is intended to present this basic, but powerful, approach in an instructive, useful, and applied fashion.



‘CLOSING THE CHASM’™

Between the Early Market (Early Adopters/Opinion Leaders) and the Mainstream

It’s been well documented in the business, marketing, and social science literature, as well as in the trade press, that 8 out of 10 new products or ideas introduced into society and/or the marketplace ultimately fail;³ in fact, some experts argue that 9 out of 10 products and ideas introduced into a given market or social system fail.⁴

In spite of the truth of this documented phenomenon, to date, such an outcome is NOT necessary; in fact, assuming a new treatment of an established paradigm is properly administered, up to 8 out of 10 new ideas, products, or services introduced into the marketplace or any social system will succeed. This can be done through a an enhanced adoption model called, “**Closing the Chasm**”™.

This now proven paradigm is embedded in **Diffusion of Innovations**⁵ and in **Chasm Theory**.⁶

In no other field in the behavioral sciences has there been more effort expended, by more scholars and practitioners, in more disciplines, and in more nations than **Diffusion of Innovations**. According to Rogers in 2002,⁷ “At last count, the number of known diffusion publications numbered in excess of 6,000, having almost doubled approximately every decade since I published the first edition of *Diffusion of Innovations*, in 1962.” However, Diffusion theory has been studied for well over 50 years; although, it was not embraced

³Schneider, Joan and Julie Hall, **Why Most Product Launches Fail**, *Harvard Business Review*, April 2011
<http://hbr.org/2011/04/why-most-product-launches-fail/ar/1>

Wagner, Eric T., **Five Reasons 8 Out Of 10 Businesses Fail**, *Entrepreneurs*, September 12, 2013
<http://www.forbes.com/sites/ericwagner/2013/09/12/five-reasons-8-out-of-10-businesses-fail/>

(Unknown author), **5 reasons why 8 out of 10 small businesses fail**, *Evolve Web Design*, May 27, 2014
<http://evolvewebsitedesign.com/blog/2014/05/27/5-reasons-8-10-small-businesses-fail-2/>

Tamminga, Bill, **10 reasons why companies and products fail**, DAYS, posted on-line, no date given
<http://www.evancarmichael.com/Small-Business-Consulting/3776/10-Reasons-Why-Companies-and-Products-Fail.html>

⁴Sharp, Byron, **Do 9 out of 10 new product launches fail?**, *Marketing Science*, March 25, 2008, March 25, 2008
<http://byronsharp.wordpress.com/2008/03/25/do-9-out-of-10-new-product-launches-fail/>

⁵ Rogers, Everett M. (1995). *Diffusion of Innovations* (4th edition). New York: Free Press.

⁶ Moore, Geoffrey, A. (1991). *Crossing the Chasm* (Revised Edition), New York: Harper-Business, a division of HarperCollins Publishers.

⁷ Personal conversation between Dr. Everett M. Rogers and Dr. G. Gary Manross (2002). This statement was made during a discussion between Dr. Rogers (who was Dr. Manross’ mentor while earning his Ph.D. in Communication Theory and Research at the Annenberg School for Communication and Journalism at the University of Southern California) and Dr. Manross when Manross was developing the paradigm that would become, “**Closing the Chasm**”.

within the marketing discipline until the the 1960's, and into the 1970's, when social marketing got underway.⁸

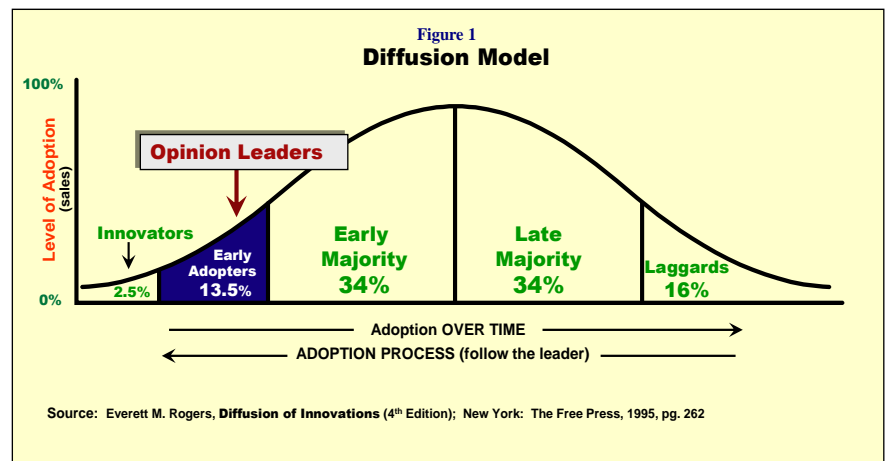
Acknowledgement, in recent years, that Diffusion theory is central to understanding buying behavior can be seen in such publications as: Rosen's, *The Anatomy of Buzz*⁹; Gladwell's, *The Tipping Point*¹⁰; Barabási's, *Linked*¹¹; and Keller and Berry's, *The Influentials*.¹² While not all of these authors specifically cite Diffusion theory, all of them do (to varying degrees) employ the diffusion paradigm in their discussion of how new ideas and new products can be made to storm the marketplace, thus, maximizing their likelihood of success. Clearly, the diffusion paradigm has been "adopted" by the academic community.

As noted above, this is NOT the case in corporate America, however.

Even with its predictive power with regard to such matters as consumer behavior (e.g., purchasing behavior with the ultimate goal of "brand loyalty") and in an environment where as many as 8 out of 10 new products introduced into the marketplace ultimately fail to realize their market potential (even the most optimistic forecasters concede that the odds of success are no better than 50:50), the Diffusion paradigm has NOT become one of the core principles held central within the marketing discipline as, for example, **Product Life Cycle** (an economic theory that was developed by Raymond Vernon).¹³

The classic Diffusion paradigm is illustrated at right (Figure 1):

Of the five subsets (classifications) of adopters, the most critical is the 13.5% of any target audience (target market) who are "Early Adopters"; these people are best thought of as OPINION LEADERS.



⁸ Rogers, Everett M. (1995). *Diffusion of Innovations* (4th edition). New York: Free Press., pg. 79.

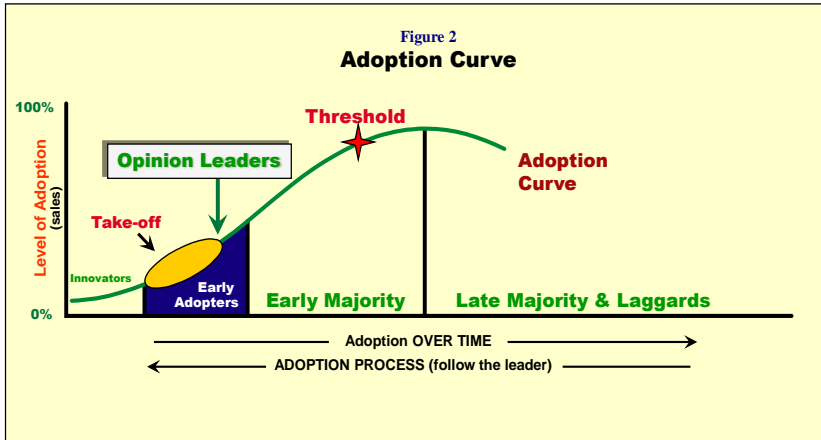
⁹ Rosen, Emanuel (2000). *The Anatomy of Buzz*. New York: Doubleday.

¹⁰ Gladwell, Malcolm (2002). *The Tipping Point*. New York: Little, Brown and Company.

¹¹ Barabási, Albert-László (2002). *Linked: The New Science of Networks*. Cambridge, Mass: Perseus Publishing

¹² Keller, Ed and Jon Berry (2003). *The Influentials*. New York: The Free Press.

¹³Hill, Charles (2007). *International Business Competing in the Global Marketplace* (6th ed.), McGraw-Hill; also, The Product Life Cycle (Raymond Vernon, 1966), http://db.lib.uidaho.edu/ereserve/courses/b/business/380_01/life.pdf.

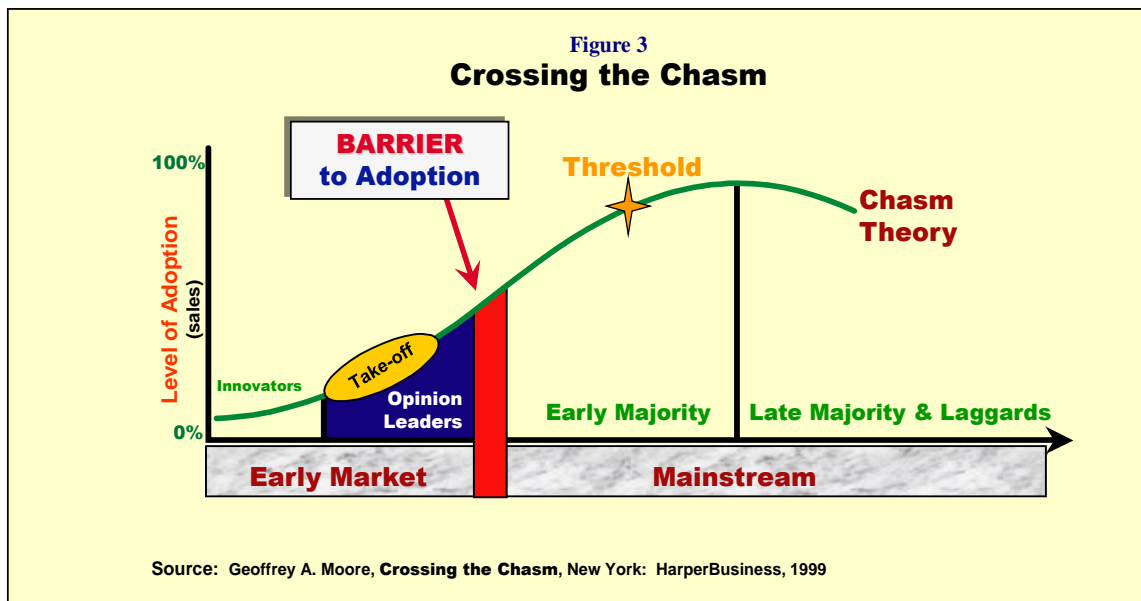


As seen in the graphic at left (Figure 2), introducing a new idea, product or service into a given social system, market, or niche market is a “follow-the-leader” process.

Adoption takes place over time, which mirrors the classic ‘Product Life Cycle’ paradigm (*Ibid*). Clearly, as noted above, the most critical subset is **Opinion Leaders**. It is at this point

(where Early Adopters engage) that “Take-off” occurs; however, if Early Adopters DO NOT engage, the new idea/product/service will FAIL, which, historically, has occurred in at least 8 out of 10 instances. This is why Diffusion Theory has come to be generally perceived as being “interesting” (due to its potential), but “not very useful”.

Geoffrey Moore, undoubtedly, made the most important advancement in diffusion theory since the creation of Diffusion of Innovations; he called it, “*Crossing the Chasm*”.¹⁴



As can be seen in the graphic above (Figure 3), Moore posited the existence of a BARRIER (which he labeled a “chasm”) between **Early Adopters** and the **Early Majority**.

In working in the high-tech industry, mostly in California’s Silicon Valley, Moore discovered one of the most devastating BARRIERS imaginable to the smooth flow of the adoption process. Specifically, he discovered that there exists a gap between each of the

¹⁴ *Crossing the Chasm*, pdf version available at: <http://soloway.pbworks.com/w/file/fetch/46715502/Crossing-The-Chasm.pdf>.

five categories that comprise Roger's diffusion model. Moore characterizes these gaps to be akin to "cracks in the bell" [curve]; moreover, he concluded that the first of these cracks, which lies between "Early Adopters" (opinion leaders) and the "Early Majority", is a HUGE barrier, which can stop the adoption process, altogether. He chose to label this barrier as a "**chasm**"; thus, *Chasm Theory* was born. Moore's challenge was to find a way to transition, bridge, or as he put it..."*cross the chasm*".

His first step was to merge the first two categories, Innovators and Early Adopters, into a single category that he labels the **Early Market** (comprised of "visionaries"); he then collapsed the third and fourth categories, Early Majority and Late Majority, into a second category that he labels **Mainstream Market** (comprised of "pragmatists"). Since laggards do not represent a potentially fruitful market segment, Moore simply ignores the last category in the traditional adoption model.

However, Moore mistakenly concluded that "...*early adopters do NOT* (authors' emphasis) *make good references for the early majority*" (Moore, 1991, pg. 20). Such an assertion, (1) abandons Diffusion theory, and (2) leads Moore to the unfortunate conclusion that GUERILLA TACTICS are required in order to realize one's marketing objectives.

In one section of his book entitled: "**Fighting Your Way into the Mainstream**" (pg. 48), Moore asserts, "To enter the mainstream market is an act of aggression." He compares the launch of a new product into a given market or niche market to D-Day (the Allied invasion of Normandy on June 6, 1944); in so doing, he writes, "This is not a time to focus on being nice...this is a life-or-death situation for you. You must win." In effect, Moore advocates treating your prospective customer as the enemy.

We **DISAGREE!** Newton's 3rd Law of Motion states, "*For every action there is an equal and opposite reaction.*"¹⁵ In keeping with this law, if you treat your customer and/or prospective customer as the enemy...your customer or prospective customer will treat you as their enemy.

Thus, rather than seeking out ways to CROSS the chasm; we advocate "**Closing the Chasm**" or AVOIDING the chasm, altogether.

Specifically, instead of employing GUERILLA TACTICS (as advocated by Moore), we embrace employing tried and true **RELATIONSHIP MARKETING** strategies and tactics, which manifest predictability, loyalty, and a stable client base, over time. Declaring "war" is counter-intuitive and not conducive to relationship building, which is essential if a firm or organization is to realize its full potential in any given market, niche market, or

¹⁵Newton's 3rd Law of Motion; <http://csep10.phys.utk.edu/astr161/lect/history/newton3laws.html>.

market segment. This is especially true when one is trying to propel a given product, service, or new idea, into the marketplace or any social system.

Imbed **Relationship Marketing** to...
Close the Chasm
(or avoid it altogether)

The “chasm” that Moore discovered undoubtedly existed long before anyone knew to look for it. The irony is that the negative impact that the existence of the *chasm* has on the adoption process was undoubtedly exacerbated as a result of improvements being made within the marketing discipline itself; especially, the development of target marketing tactics, which has culminated in the powerful sub-discipline called “Integrated Marketing Communications”.

The inherent paradox is this.

On the one hand, sound marketing is driven by the need to develop a “situation analysis” that will lead to a “unique selling proposition” for each market segment (or subset within a given market segment), then develop a marketing communications strategy (including an effective *message strategy*) designed to capitalize upon this form of “intelligence”. Thus, in order to give a new product, service and/or idea a “kick start” when it is introduced into the marketplace (thus, initiate the adoption process), it is absolutely essential to develop a message strategy that will result in visionaries (those in the Early Market) making a DECISION TO PURCHASE.

On the other hand, by designing and promoting a unique selling proposition aimed at those in the Early Market (opinion leaders), while virtually ignoring the collective perceptions and desires of those in the Mainstream Market, you are WIDENING the chasm (gap) between visionaries and pragmatists...thus, *impeding the smooth flow of adoption*, which, in the best case scenario, will ultimately result in minimizing market penetration; and, in the worst case scenario, stop the adoption process altogether.

Therein lies the challenge that must be addressed in order to ensure a smooth and seamless adoption process.

The adoption process begins with the notion that when prospective adopters (e.g., buyers) become aware of a new product, service and/or idea that is appealing to them, the KNEE JERK reaction is, in fact, a desire to adopt (purchase), or at the very least, give the innovation a try. In the short term, the knee jerk reaction leads to a desire to purchase.

What is different between those individuals in the Early Market (visionaries) and those in the Mainstream Market (pragmatists) is that the former (visionaries) are far more likely to act on their knee jerk desire to adopt (purchase the product); while the latter (pragmatists) are inherently not risk takers. As a result, before adopting (making a decision to purchase), those in the Mainstream Market feel compelled to first “*check it out*” with someone they trust (an opinion leader); then make the decision to purchase or NOT to purchase. The higher the level of risk (e.g., the higher the price), the more likely pragmatists are to seek advice from someone they trust BEFORE making a decision to purchase.

Thus, what is likely to happen if:

1. The visionary to whom the pragmatist turns to for advice **isn't aware** of the product/service for which the inquiry is being made; or worse...
2. The visionary is, indeed, aware of the product/service, but does **NOT perceive it as having sufficient value to purchase**; or equally problematic...
3. The visionary likes the product/service for which the inquiry is being made, but the visionary's reasons for adopting the innovation have nothing to do with the pragmatist's reasons for being interested in the innovation.

Clearly, the likelihood is high that each of the above scenarios will result in a decision on the part of the pragmatist NOT TO PURCHASE; thus, the “chasm” (gap) between Early Adopters (opinion leaders) and those in the Early Majority grows larger and, at some point, becomes virtually impossible to close.

Don't allow a 'Chasm' to be created in the first place

The resolution to the above scenarios is **NOT TO ALLOW a “chasm” (gap) to exist, or to be created** in the first place.

The approach we advocate for accomplishing the above goal is two-fold: (1) imbed in a concept known as **RELATIONSHIP MARKETING**, and (2) embrace a marketing model called IMC (Integrated Marketing Communications). In addition, the approach SRI embraces involves the implementation of “pull” (vs. push) marketing strategies. As such, there is no need to employ “guerrilla tactics” of any kind.

The process we are advocating is a two-tiered approach:

Tier I: Identify a “*unique selling proposition*” (message strategy) **that is common to BOTH Early Adopters** (visionaries) **and those in the Mainstream Market** (pragmatists).

Keep in mind that the “knee-jerk” response to being exposed to a given “unique selling proposition” DIFFERS depending upon which of the five adoption categories one belongs to. The two categories of special interest in the case-at-hand are:¹⁶

- **Early Adopters** (opinion leaders), and...
- The **Mainstream Market**, especially those in the “Early Majority who seek counsel from Early Adopters (opinion leaders).

The “knee-jerk” reaction among Early Adopters to a unique selling proposition is to make the **decision to purchase** (either adopt or at least give the innovation a try); of course, a decision to adopt assumes: (1) that visionaries perceive the innovation as having value/benefit to them, and (2) follow an effort of due diligence (e.g., information seeking).

The “knee-jerk” reaction among those in the Mainstream Market to a unique selling proposition is, **LIKEWISE**, a desire to adopt (purchase); however, these people **FEEL COMPELLED** to **run the idea by someone they trust** BEFORE writing the check! This is especially true for those in the “Early Majority” vs. those in the “Late Majority”.

The **KEY** to **SUCCESS**, then, is to find a single unique selling proposition (message strategy) that appeals to **BOTH** Early Adopters and to those in the Mainstream Market; then simultaneously expose both categories of adopters to the same message(s).

This way, Moore’s “chasm” between Early Adopters (opinion leaders) and those in the Mainstream Market is not created; thus, **no guerrilla tactics are required**.

Equally important, if not more important, the Early Adopters are made fully aware of, and may have already purchased, the innovation when those in the Mainstream Market contact them for their input and counsel. Furthermore, the **REASON(S)** to buy stem from the same set of values/benefits, because prospective adopters (buyers) in both categories are responding to the very same unique selling proposition.

¹⁶ One example of this phenomenon involves introducing FIBER OPTICS into the marketplace, which SRI has a significant amount of experience in. SRI conducted nearly two dozen studies wherein we found that “Innovators” would purchase the fiber optics technology without being prodded; “Laggards” may or may not ever adopt the fiber optics technology; and the “Late Majority” would come on board AFTER “threshold” had been reached in the adoption process, thus it is only a matter of time before they make the decision to purchase.

Tier II: **Develop a second unique selling proposition (message strategy)
tailored to the perceptions and desires that are unique to each
of the two categories of adopters.**

In order to keep the adoption process moving seamlessly through the various stages of the respective Product Life Cycle, a follow-up effort should be made to communicate individually with EACH of the two most important categories of adopters, Early Adopters (visionaries) and those in the Mainstream Market (pragmatists); as such, the *unique selling proposition* (message strategy) should be CATEGORY SPECIFIC. In other words, a follow-up message strategy should be created that will appeal to the collective perceptions and values of the Early Adopters (opinion leaders), but not necessarily to those in the Mainstream Market (especially those in the “Early Majority” category); and, vice versa.

This two-tier approach allows change agents to appeal to prospective purchasers at two different levels; on a broad level (Tier I) and then on a far more targeted level (Tier II).

In terms of implementation, the *unique selling proposition* from Tier I should be disseminated via some form of **MASS distribution** (paid ads on TV, radio, newspapers, trade publications, mass mailings, and the social media) in order to ensure broad exposure to the message. The *unique selling propositions* (targeted messages) from Tier II should be disseminated via some form of **DIRECT MARKETING** distribution (target mailings based upon demographics and/or geographics, telemarketing, direct sales, also the social media).

As can be seen, the strategic plan we are advocating here is embedded in BOTH *Relationship Marketing* (which employs “pull” vs. “push” tactics), as well as the now classic marketing model called *Integrated Marketing Communication*. As such, this approach holds the highest possible likelihood of realizing maximum market potential.

Identifying those in the Early Market

None of the above matters, however, if it’s not possible to definitively identify those in the Early Market (Innovators and Opinion Leaders) vs. those in the Mainstream. The inability to do this is the reason Diffusion Theory has not, to date, been considered BOTH “interesting” and “useful”; and why, historically, 8 out of 10 new products and ideas introduced to the marketplace or to some other social system have ultimately failed.

That said, as noted in the Abstract, SRI has been able to do precisely that in BOTH the private and public sectors. This has been made possible through the creation of an algorithm administered through survey research. To date, we’ve conducted nearly 50 scientific surveys wherein we have profiled Early Adopters; without exception, the ratio

of those who “fit” the profile of being **Opinion Leaders** has ranged from 13% to 15%. As a result, we now have the capability to identify, definitively, those in the Early Market vs. the Mainstream.

Obviously, the algorithm is proprietary as are the market research studies in the private sector, with one exception; and, they must remain so. We are in the process of employing *neuro networking*, using ‘Big Data’, in order to protect the algorithm from being reverse-engineered. In the meantime, we will continue employing the *Closing the Chasm* paradigm through survey research and to the benefit of Clients in both the private and public sectors.

It would be easy to conclude that policy and marketing research in the public sector is NOT useful with regard to demonstrating the power of the *Closing the Chasm* paradigm; however, such a conclusion would be wrong. Why?

Because, there is no difference between purchasing a home, an automobile, or any other commodity or service and voting YES on a tax; at the end of the day, the voter (e.g., property owner or consumer) has to write the check. In other words, voting either YES or NO on a proposed a tax is akin to a PURCHASE DECISION. Moreover, in California (where many of SRI’s scientific surveys on behalf of government agencies have been conducted), 2/3rds voter support (vs. simple majority support) is required for a given tax measure to pass. In other words, 2 out of 3 voters MUST Vote YES (make a decision to purchase) in order for the respective tax measure to pass. SRI’s success ratio of predicting successful outcomes over the past decade has been in the high 90-percentile; much of this accuracy is due to the ability to identify, and effectively communicate with, **Opinion Leaders** vs. those in the Mainstream.

With regard to providing examples of the power of employing the *Closing the Chasm* paradigm, as noted above, there is one exception in the private sector; this involves the introduction of Fiber Optics to the home and to business (FTTH and FTTB) through a public/private partnership. SRI studied a total of 22 communities, most of them in Utah (including Salt Lake City) and several in Wyoming. The Client was DynamicCity MetroNet; which changed their name to UTOPIA (Utah Telecommunications Open Infrastructure Alliance) while this effort was underway. While we’re NOT at liberty to share the *findings* of these studies with a third-party, we are able to discuss the research design and methodology with interested parties. On the other hand, we are able to share the *findings* and methodology employed (with the exception of the algorithm) for a host of studies in the public sector. For these, refer to SRI’s web site at www.sri-consulting.org; click on *Closing the Chasm* at the bottom-left of the home page; a list of several such studies will appear. Then click on those you want to review; these are in the public domain.

For further information, contact: moreinfo@sri-consulting.org.

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A behavioral scientist, Dr. Manross has more than 25 years experience in marketing and political consulting, communications management, and in applied research (marketing research, policy research, and political research). Prior to founding Strategy Research Institute, Dr. Manross held executive-level positions with two Fortune 500 companies, and the largest state trade association in America. His academic credentials include two Master of Arts degrees, plus a quantitative Ph.D. from the Annenberg School for Communication and Journalism at the University of Southern California (USC.), where he studied under Dr. Everett M. Rogers, the acknowledged “father” of Diffusion of Innovations.

Dr. Manross has been published in numerous refereed academic journals in his field of discipline; he co-authored the *top-ranked paper* internationally in the Human Communications Technology Group of the International Communication Association (ICA), which was subsequently published as a chapter in **Communication Yearbook 10**. His work is routinely cited in both the scholarly press and in classic textbooks, such as Diffusion of Innovations (Everett M. Rogers, 1995, 4th ed., Free Press, N.Y.). Further, Dr. Manross authored a book entitled: The Impact of Theory-driven Public Opinion Research in Strategic Planning for Winning Campaigns, Carlton Press, NY, 1995.

Everett M. Rogers, Ph.D.

The author of the now classic book entitled, **Diffusion of Innovations** (The Free Press, 1995, 4th ed.) the late Everett M. Rogers, Ph.D., was professor and former chair of the Department of Communication & Journalism at the University of New Mexico. He has also been a full professor at Stanford University and at the Annenberg School for Communication and Journalism at the University of Southern California. He was a past president of the International Communications Association and author of **A History of Communication Study** (Free Press, 1994), **Communication Technology** (Free Press, 1986) and several other widely acclaimed books and articles on communication and innovation.

Acknowledgements regarding...

Diffusion of Innovations. The Free Press, 1995, 3rd ed:

“The name of Everett Rogers...is virtually synonymous with the study of the diffusion of innovations...His coverage is comprehensive, ranging from the element of diffusion and the history of diffusion research to generators of innovation, change agents, and the consequences of innovations.”

— Choice

“Holds several important lessons for anyone planning the introduction of new ideas in a firm...Introduces the latest and probably some of the best thinking in that area.”

— Engineering Management Society

“Will remain a classic on innovation for the next decade.”

— Technovation