

國立暨南國際大學九十二學年度碩士班研究生入學考試試題

第 2 節 商管英文獻選讀 適用：(國企所在職專 812)

(本試題共 4 頁，第 1 頁)

考生注意：1. 依次序作答，只要標明題號，不必抄題。

2. 答案必須寫在答案卷上，否則不予計分，並限以藍黑色筆作答。

3. 試題隨卷繳回。(餘詳詳閱試場規則)

Please answer the following questions in Chinese.

I. Please present the main idea of the following paragraph. (20%)

Here's a simple example. Two shoppers go into Best Buy looking for new refrigerators. To the salesclerk who waits on them, the customers seem identical. But their situations couldn't be more different. The first shopper needs a new refrigerator to replace one that died the night before. Her goal is to keep her ice cream frozen, not to spend a lot of time browsing. The second shopper is looking for a refrigerator for a new house he's having built. He's got plenty of time to compare features and prices before making a purchase.

When the salesclerk treats these two customers the same, Best Buy loses out on some big opportunities. The time-pressed first shopper, for instance, values delivery speed above all else. If the clerk could offer her expedited delivery—that afternoon, perhaps—she would likely buy a refrigerator immediately, even if the premium delivery service involved a hefty surcharge. The second shopper is not a likely candidate for a quick sale, but he's a great candidate for aggressive cross-selling and relationship building. After all, he's probably going to be in the market for many other appliances for his new house. Best Buy might even want to offer him a free consulting service that would give him a comprehensive, customized plan for all the appliances he needs, a tailored delivery schedule, and a modest discount for his bulk order. But if the company doesn't know the customer's situation, it can only provide one-size-fits-all service.

I call the broad context in which a customer does business the *customer scenario*. In the Best Buy example, the first shopper's scenario might be called "emergency replacement"; the second shopper's, "furnish a home." By

Thinking in terms of customer scenarios has always been useful, but the arrival of the Internet makes the technique more powerful than ever.

building a detailed understanding of common customer scenarios, a company can often find creative ways to expand its reach into the lives of buyers, helping them save time, use products and services more effectively, and fulfill supplementary needs that may not involve the company's offerings at all. In delivering such benefits, the company becomes a vastly more important—and much more indispensable—supplier to its customers.

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2. a. Based on the description below, please identify the characteristics of innovators, early adopters, early majority, late majority, and laggards. (40%)

b. What is the chasm? Please describe the marketing strategy to the visionaries and pragmatists. (40%)

Categories of Adopters¹¹

The categories of adopters discussed in traditional adoption and diffusion models include innovators, early adopters, early majority, late majority, and laggards. Although these traditional categories may be applied in high-tech markets, Geoffrey Moore has adapted this theory to apply to the business purchase of high-technology computing products in business markets. His adaptation is shown in Figure 6-2; a summary description of each of the categories is also shown.

Innovators The early market for high-tech products is comprised of *technology enthusiasts*, people who appreciate technology for its own sake and are motivated by the idea of being a change agent in their reference group. They are willing to tolerate initial glitches and problems that may accompany any innovation just coming to market and are willing to develop makeshift solutions to such problems. Geoffrey Moore believes that the enthusiasts want low pricing in return for alpha and beta testing new products. In the computer industry, often these technology enthusiasts work closely with the company's technical people to troubleshoot problems. Although not much revenue may come from this group, it is key to accessing the next group.

Early Adopters The next category, the *early adopters*, are *visionaries* in their market. They are looking to adopt and use new technology to achieve a *revolutionary* breakthrough to gain dramatic competitive advantage in their industries. These people are attracted by high-risk, high-reward projects, and because they envision great gains in competitive advantage from adopting new technology, they are not very price sensitive. Customers in the early market typically demand personalized solutions and quick-response, highly-qualified sales and support. Competition is typically between product categories (e.g., between DVDs and CDs) at the *primary* demand level. Communication between possible customer adopters cuts across industry and professional boundaries.

As an example of this early market in the electric car industry, the earliest adopters of electric cars in California paid nearly 25% more to lease their cars than did people who leased a year later. These visionaries were willing to make do with the higher price and hassles that accompanied being an early adopter. For early adopters of electric cars, the "hassle factors" came in the few stations that were capable of recharging batteries and the limited mileage range (90 miles between charges). The visionaries were willing to accept such inconveniences for the *psychological* and substantive benefits they received.¹²

Early Majority The next group, moving into the mainstream market, are the *pragmatists* or the early majority. Rather than looking for revolutionary changes, this group is motivated by *evolutionary* changes to gain productivity enhancements in their firms. They are averse to disruptions in their operations and, as such, want proven applications, reliable service, and results.

Pragmatists generally want to reduce risk in the adoption of the new technology and therefore follow three principles:¹³

1. "When it is time to move, let us all *move together*." This causes the landslide of demand.
2. "When we pick the vendor to lead us to the new *paradigm*, let us all pick the same one." This obviously determines which firm will become the market leader.
3. "Once the transition starts, the sooner we get it over with, the better." This is why this stage occurs very rapidly.

From a marketing perspective, these people are not likely to buy a new high-tech solution without a reference from a trusted colleague. A trusted colleague to a pragmatist is—who else?—another pragmatist, not a visionary or enthusiast who has a different view of technology. Obviously, this need for a reference from a pragmatist poses a real catch-22 to selling to this group: how to get just one pragmatist to buy, when the first won't buy without another pragmatist's reference. Yet, pragmatists are the bulwark of the mainstream market.

Late Majority The late majority *conservatives* are risk averse and technology shy; they are very price sensitive and need completely preassembled, bulletproof solutions. They are motivated to buy technology just to stay even with the competition and often rely on a single, trusted adviser to help them make sense of technology.

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Laggards Finally, laggards are technology *skeptics* who want only to maintain the status quo. They tend not to believe that technology can enhance productivity and are likely to block new technology purchases. The only way they might buy is if they believe that all their other alternatives are worse and that the cost justification is absolutely solid.

The categories of adopters fall into a normal, bell-shaped curve. Although under most circumstances, a firm would likely target the innovators in a new-product launch, in some cases it might be more worthwhile to target the majority directly instead of the innovators. Firms will find it worthwhile to target the majority¹⁴

- When word-of-mouth effects are low
- In consumer products industries (versus business-to-business situations)
- When there is a low ratio of innovators to majority users
- When profit margins decline slowly with time
- The longer the time period for market acceptance of a new products

Each category of adopters has unique characteristics. Moore symbolizes the degree of these differences as gaps between each group in the marketplace. These gaps represent potential difficulty that any group will have in accepting a new product if it is presented in the same way as it was to the group to its immediate left. Each of the gaps represents an opportunity for marketing to lose momentum, to miss the transition to the next segment, and never to gain market leadership, which comes from selling to a mainstream market. The differences between the early market (innovators/early adopters)

and the mainstream market (early majority) are more pronounced than differences between the other categories, and hence they warrant special attention.

Crossing the Chasm¹⁵

The largest gap between categories of adopters is between the early market (innovators/early adopters) and the mainstream market (early majority, late majority, and laggards). This deep and dividing schism is the most formidable and unforgiving transition in the adoption and diffusion process. The **chasm** is the gulf between the visionaries (early adopters) and the pragmatists (early majority, mainstream market) and derives from critical differences between the two. Visionaries see pragmatists as pedestrian, whereas pragmatists think visionaries are dangerous. Visionaries will think and spend big, whereas pragmatists are prudent and want to stay within the confines of reasonable expectations and budgets. Visionaries want to be first in bringing new ideas to the market, but pragmatists want to go slow and steady. The chasm arises because the early market is saturated but the mainstream market is not yet ready to adopt. Hence, there is no one to sell to.

What contributes to this chasm, and how can it be overcome? The nature of a firm's marketing strategy in selling to visionaries is very different than the marketing that is required to be successful with pragmatists. Many firms do not understand this and are unable to make the necessary shift in strategies to be successful.

Early-Market Strategies: Marketing to the Visionaries As mentioned previously, visionaries require customized products and technical support. Because such customization for several visionaries can pull a firm in multiple market directions, they can be a costly group of customers to support. However, for a new high-tech start-up, sales to these visionaries represent the initial cash flows to the firm. Hence, given the demand from visionaries and need for cash flows, there is much pressure both to support their customization needs and to release products early to these customers. Just as customization can pull the firm in multiple market directions at a steep cost, early release of a product can backfire if it has not been adequately tested.

The goal of the marketer's firm at this point is to establish its reputation. In new high-tech start-ups, this time of selling to the early market is exciting and energizing. The product is often the focus; engineering and R&D folks play a critical role, and brilliance and vision are embraced. Firms try to develop the best possible technology for the market they pursue.

The Chasm The bloom falls off the rose, however, when the firm takes on more visionaries than it can handle, given the high degree of customization and support they expect. No pragmatists are yet willing to buy, presumably because there is no credible reference for them. Hence, revenue growth tapers off or even declines. The goal of the high-tech marketer should be to minimize the time in the chasm. The longer the firm spends in the chasm, the more likely it is that it will never get out.

One implication of the chasm relates to relationships with venture capitalists and investors. Lack of knowledge of the existence of the chasm can create a crisis. Key personnel become disillusioned and management becomes discredited. Investors may pull out at the very time that more financing is necessary to get the product to the mainstream market. The ultimate demise of early-market success stories might be explained by the existence of this chasm.

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The chasm in the Internet arena is often found after a company has made a decision to add an on-line sales channel—many times to the detriment of existing distribution channels. As a result, sales may actually decline in the short term after adding the on-line channel. As stated by Intel's VP of business development in discussing Internet investments, "In getting from point A to point C, B is hell." B is where revenues decline and profits go down, but there is simply no way for large companies to get to where they need to be in the future without going through it.¹⁶ Because of this chasm, brick-and-mortar companies struggle with the issue of how much to invest in this still-emerging medium with huge up-front costs and only theoretical profits. It can be an especially anguishing decision for established companies who must show earnings growth quarter after quarter.

Marketing to the Pragmatists In contrast to marketing to the visionaries, who are willing to tolerate some incompleteness in the product and will fill in the required "blanks," marketing to the mainstream market requires that the vendor assume total responsibility for system integration. This need demands the development of a complete, end-to-end solution for the customer's needs, or the whole product. Identifying the whole product requires an exhaustive analysis of what it takes to fulfill the reasons the customer is buying. Asking what else the customer will need, from a systems perspective, makes apparent possible switching costs and exposure. For example, in the computer industry, the whole product includes hardware, software, peripherals, interfaces and connectivity, installation and training, and service and support. In electronic business, the whole product includes Web site design, hosting of the site on a server, connection to the Internet, security, financial transactions, and, depending upon the purpose, customer relationship management.

The job of the firm in the chasm is to either develop or partner with firms to provide the whole solution to the initial customers in the mainstream market. Rather than developing the "best possible solution," the goal here is to develop the best solution possible. Yet, this is a very different skill set than that required to succeed in the early market. Now, the R&D team, rather than basing development on engineering solutions, must work closely with partners and allies on a project-oriented approach. For many, this is much less exciting than the pursuit of technological brilliance and requires painstaking work on compatibility, standards, and so forth. Moreover, this period may require that engineers go to customer sites to observe them in action. Customer service is a critical component of crossing the chasm.

Another crucial strategy in crossing the chasm and speaking to the needs of the mainstream market is simplifying, rather than adding additional features. Gadget makers tend to make new models bigger and more complicated—but not necessarily better—right at the time the mainstream market would buy if they were more user friendly. For example, Microsoft's Internet Explorer 5.0 did a good job of *not* focusing on dramatic breakthroughs. Rather, it focused on "thoughtful little advances that make using the Web simpler for average, nontechnical folks."¹⁷ Similarly, the Palm III, introduced in 1998, recognized that the real growth in its sales would come from the explosion of third-party software and accessories that enhanced its abilities to link up with corporate networks.¹⁸ And rather than clogging its new handheld device with useless extras, 3Com kept Palm III simple.¹⁹ Because the developers took an evolutionary rather than revolutionary view, and because the Palm III is even easier to synchronize with a PC compared with the prior Palms, they followed the high-tech model perfectly. The Technology Tidbit provides a bit more about some of the new uses of handheld computers.

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