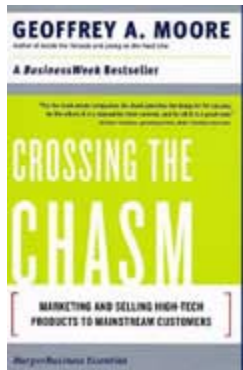


Rethinking 'Crossing The Chasm'

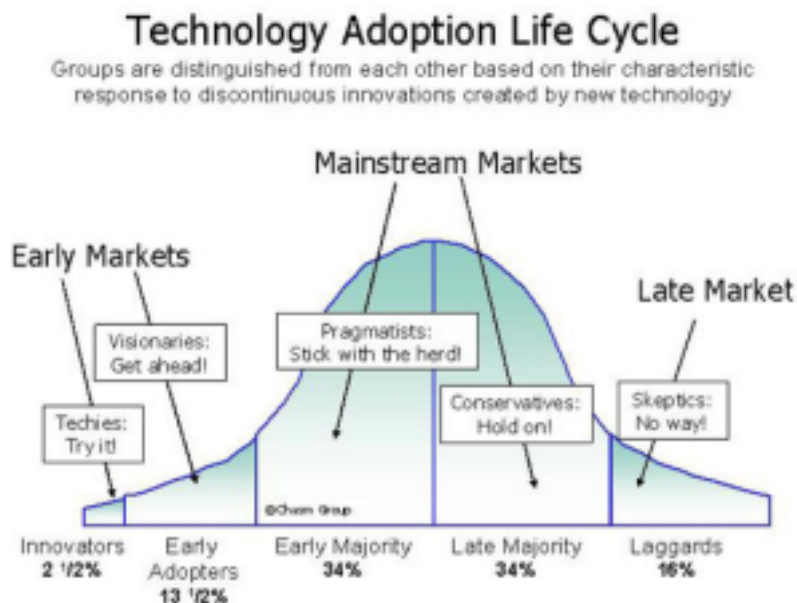
Written by [Alex Iskold](#) / August 6, 2007 10:19 PM



In 1991 Geoffrey A. Moore wrote a book that became widely read and quoted in the business community and turned into a theory - Crossing the Chasm. Moore argued that there is a gap that exists between the early adopters of any technology and the mass market. He explained that many technologies initially get pulled into the market by enthusiasts, but later fail to get wider adoption. So to create a company that is worth hundreds of millions of dollars, entrepreneurs need to come up with strategies that will help them build a bridge across that gap.

The reason that the book got so popular, and was studied in MBA programs and talked about in top-tier VC firms, is because its analysis is right on the money. There is a big difference between people who are willing to try new technologies and the rest of population, which tends to be much more conservative.

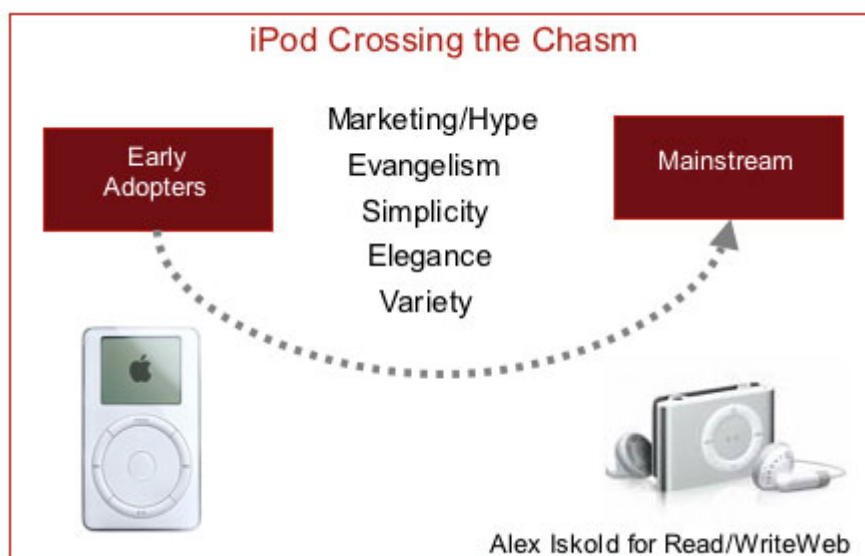
The reason that business people spend time trying to figure out how to bridge the gap is because the gap is what stands between them and a lot of money. Simply put, since early adopters represent a very small percentage of the population, the thinking is that you can't build a business just by selling to them. To build a real business you need to cross the chasm.



Today's fast changing world redefines how we do business. It also puts into question old business methods and theories. Is "Crossing the Chasm" thinking still meaningful today? Is it even possible anymore? In this post we put this business notion under the microscope and look for answers to those questions.

The Classic Chasm Crossing

Consider the iPod, which has become a cultural phenomenon by successfully crossing into the mainstream. When the iPod first hit the market only die-hard Apple fans bought it. Today, however, iPods are ubiquitous. How did Apple do it?



It took a combination of the well-oiled Apple marketing machine, a beautiful product and a passionate user base. Apple marketing made iPods into objects of desire, envy and fashion. Apple's engineering team iterated through many versions of the product, with each getting better and simpler, yet more powerful than the previous. But what really made iPod into such a phenomenon is that it spread virally. iPod owners love their iPods and talk about them all the time. The early adopters of this product became an army of evangelists.

Why VCs Care

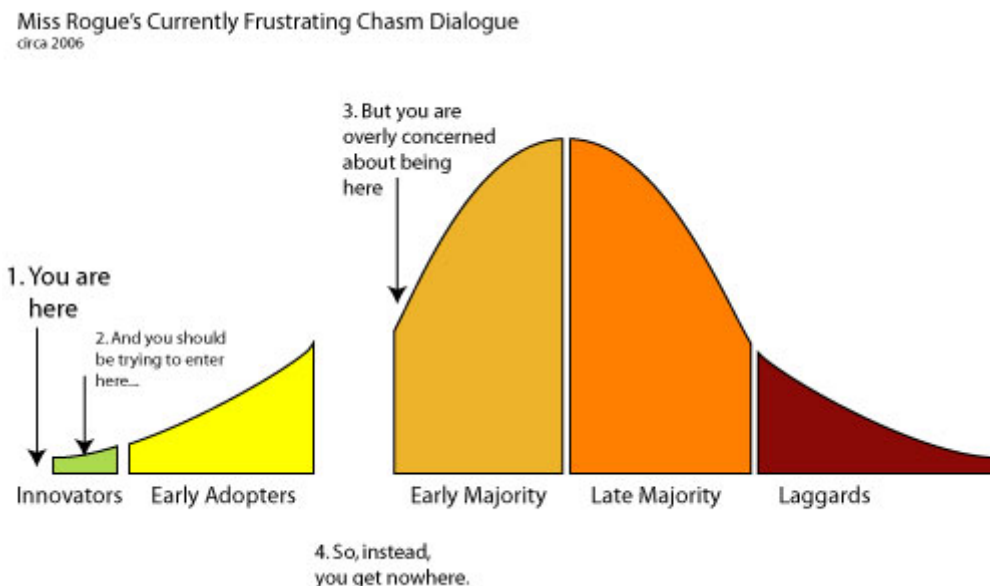
Apple had a huge advantage - a well known brand. Startups do not have that and it is one of the reasons why venture capitalists worry about the chasm. VCs are really in the business of risk management. Of course, they try hard to pick the best companies in which to invest. In an ideal world many companies from a strong portfolio would succeed. In reality, though, a lot of companies fail for many different reasons. So venture capitalists need to build their portfolios with that in mind.

To compensate for all failures they need at least one really big winner (think Google). To get a really big winner, you have to have a mass market technology. It needs to be wide spread and scale for millions of users. To ensure a winner, you need to figure out how to cross the chasm. This is why traditional 70 page business plans devote as much as 20 pages to that very topic.

Even five years ago a startup would not get funded by a top tier firm without proof that there is a clear way to take the technology into the mainstream.

Why Startups Don't Care

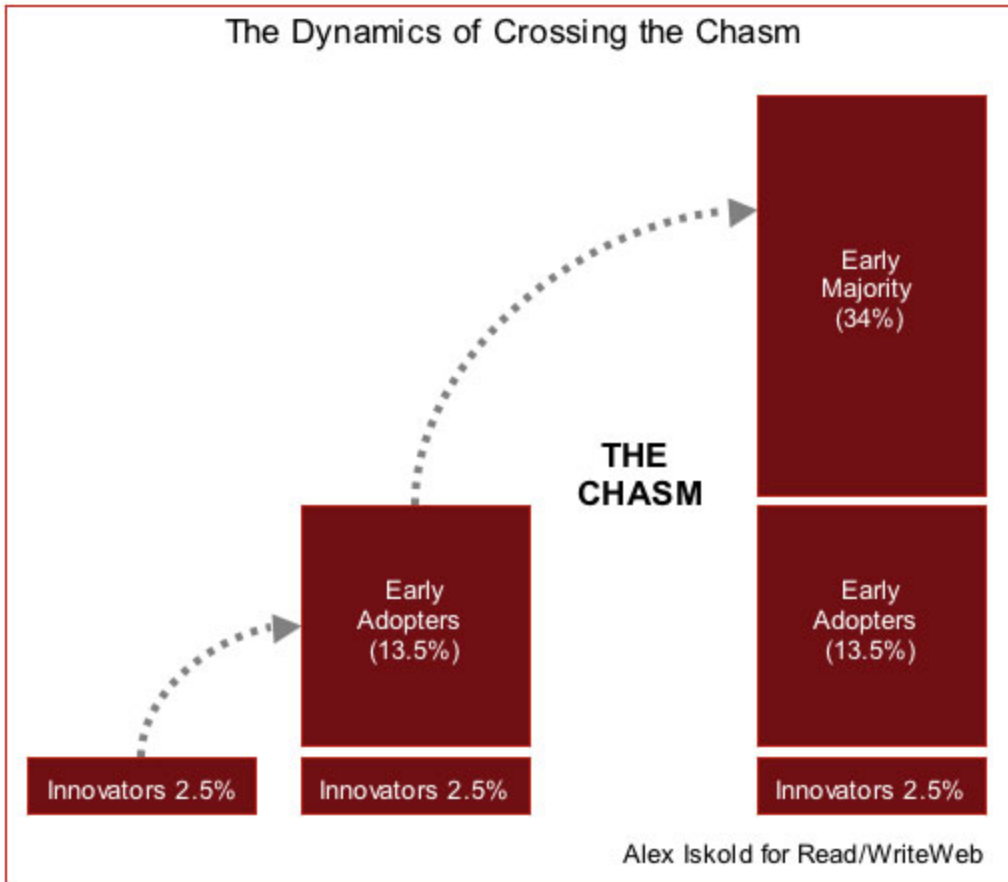
While VCs are trying to manage their risk, startups are trying get traction with early adopters. The startups view of the chasm is that it does not matter, at least for now. Before you cross the chasm you need to get to the chasm. And these days a lot of companies can't even do that. Tara Hunt lucidly illustrated this problem with her version of the chasm diagram:



The other difficulty lies in actually adopting technology to the mainstream users. Often, what works for early adopters does not work for the mainstream and the other way around. Early adopters are typically techies, they want power tools; they eat, sleep, and drink tech; they are spoiled. Mainstream users are techophobic; they need one button at most; they freak out when things change. For this reason if a startup aims at the mainstream right away, the chances are it won't even get to the chasm. Luckily, these days most startups get that and focus on early adopters. But the lucky ones that do get to the chasm today are going to face a big problem that did not exist just a few years ago.

The Real Problem

Crossing the chasm is all about getting a technology widely adopted. The most difficult step is to win over the so called early majority of the mass market. This can only happen with the help of early adopters, who are instrumental since they are used as both examples and evangelists.



The problem is that compared to a few years ago, the speed with which new technologies are coming to the market has increased dramatically. All these technologies are aimed at the early adopters. And they love it and they try it. But the question is what happens when your early adopters run off to play with a new great thing before you have a chance to take your technology mainstream?



For example, some people who used to blog regularly, blog less now because they discovered Twittering (microblogging). Or, early adopters who have discovered Second Life might not have as much time to spend on MySpace anymore. These are not even necessarily competitive technologies, they are complimentary, but the fact is that they all compete for peoples' time and attention.

Since today's new technologies are being brought into the market at an unprecedented pace, the early adopters are stretched. They love trying new things and there are so many of them that they can't keep up and adopt as many new applications and services. It might just be the case that a good technology does not make it because

the early adopters abandon it to try something new.

The early adopters are the pillars needed to cross the chasm; without them the whole scheme falls apart. You can't make a leap and bring on board the masses if the very foundation you are standing on, the early adopters, leave to do other things.

Conclusion

According to Wikipedia in 2006, Tom Byers, Faculty Director of Stanford Technology Ventures Program, described "Crossing the Chasm" as "still the bible for entrepreneurial marketing 15 years later." It is certainly a powerful and proven theory, but it does need to be adjusted. The fact that so many things are thrown into the market changes things. Early adopters are enticed by new things much more often today than 15 years ago. Expanding on how to retain the early adopters would be good thing to do in the next edition.

What are your thoughts on taking technology to the mass market today? It would be great to hear the experiences of readers who have crossed - or are in the process of crossing - the chasm.



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