A Marketing Model for Innovative Software Products (MISP): Research in Progress

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ABSTRACT
In this 'this research in progress' paper a model for marketing innovative software products is presented. This model, which has evolved from Moore's (2002) 'crossing the chasm' metaphor, is discussed. A case study method has been adopted to apply this model to a small innovative software organization in New Zealand.

Keywords: Marketing, Innovation, Software Products

INTRODUCTION
In this research project a model that has evolved from Moore's (2002) 'crossing the chasm' metaphor is used as an appropriate tool with which to identify catalysts required to move from: innovators to early adopters; and early adopters to early majority. The research questions asked are: what are the main factors that impact on marketing new innovative software products; and what are the interrelations among these factors. Applying the model developed suggests that these two sets of marketing catalysts (innovators to early adopters, and early adopters to early majority) may be different.

First the MISP model (Marketing Innovative Software Products) (Figure 1) is outlined. This is followed by a brief review of the literature on marketing strategies for innovative software products. The case study research method to apply this model to a small innovative software organization in New Zealand is then described. Significant findings that are expected to emerge are discussed.

The paper concludes with suggestions for future research and for implications for innovative software organizations.

THE MISP MODEL
Key to the adaptation of Moore's (2002) 'crossing the chasm' metaphor is the identification of catalysts required to cross the divide between different adopter groups. Catalysts are considered to be any factors that influence the uptake of an innovative software product in the case being studied. These catalysts are influenced by both the marketing context of the firm and the firm's characteristics that inform an appropriate marketing mix. Marketing plays a key part in realizing both transitions from invention to innovation and from innovation across the chasm to a commercial product by identifying and implementing catalysts. The MISP model extends Moore's (2002) model by providing a theoretical mechanism for identify marketing catalysts to cross the chasm.

LITERATURE REVIEW
Successful innovations require successful marketing. A marketing concept "holds that the key to achieving organisational goals consists in determining the needs and wants of target markets and delivering desired satisfaction more effectively and efficiently that your competitors " (Dalgic & Leeuw, 2006, p. 12).

A different marketing strategy needs to be applied in moving from early adopter to early majority to accommodate different buying patterns. It appears that market entry can be achieved reasonably easily whereas survival cannot (Argarwal & Audretsch, 2001). The release of an innovative product to the mass market carries high levels of risk as well as manifold opportunities (Botting, 1997). The selection of a target market is a prerequisite to pursuing a niche marketing strategy within the early majority segment. As this has been identified as a main challenge in commercialising an innovative product, the capabilities of a firm should be aligned with the required strategies and tasks that are necessary to accomplish this goal (Slater & Mohr, 2006). A dilemma for small innovative software organizations is having an appropriate mix of marketing expertise in entering a mainstream commercial software environment (Dunn, Hulak, & White, 1999). Discovering the whole product solution including added-value and alignment with market needs (Cooper,2000; Davis & Moe,1997; Moore,2002) is necessary to establish and to isolate catalysts. Close customer relationships help to identify the needs of the target market. In SMEs this is most likely to be conducted through business networks. Dunne (1999) suggests that a direct sales approach is best suited to early adopters. Small firms often have limited resources for sales and marketing for commercialising products themselves. Marketing alliances through strategic networking therefore become important. Strategic alliances also encourage product promotion through word-of-mouth among industry consultants (Kohli,1999; Goldenberg, Barak, & Muller, 2002). To stimulate word-of-mouth communication, interpersonal communication and networking are important abilities that are required to actively promote the firm and the product to key contact points of the target group's network. Rowley (2004) describes three ways in which virtual marketing communication could be effective: creating presence, relationships and mutual value.

RESEARCH METHOD
An exploratory single case applying a deductive framework approach (Figure 1) has been adopted for this study. The case explored for this study was a small innovative software organisation whose core business is the design and implementation of a secure, spam-free interoperable grid infrastructure. This organisation is based in Auckland New Zealand. This organisation is the only one of its kind in New Zealand. The research questions were concerned with establishing an understanding of the factors that impact on the researched phenomenon and the interrelation between those factors. A holistic view of the research problem and the method applied was required in order to gain desired results. The phenomenon under consideration has been studied in its real-life context. In general, "how" and "why" questions help to investigate holistic characters of real-life events with its processes, life-cycles and relationships. Yin (2003) states that these are the forms of research questions that are posed in case studies. A "what" question can be also a "justifiable rationale for conducting an exploratory study" (Yin, 2003, p. 6). For instance, "What are the main factors that impact on …" clearly has an explorative character rather than an enumerative one.

A gap has been identified between scientific academic marketing theories, practitioner application and execution of marketing. Consequently, a more suitable approach is required that captures the dynamic and often chaotic growth, development and interaction of SMEs. An integrated approach that combines a post-positivist philosophy with a more interpretive approach is more suitable in the context of internationally operating SMEs according to Carson and Coviello (1996). Sinkovics Penz & Ghauri (2005) suggest a qualitative research approach that is flexible and open but that still follows conventional procedures of data

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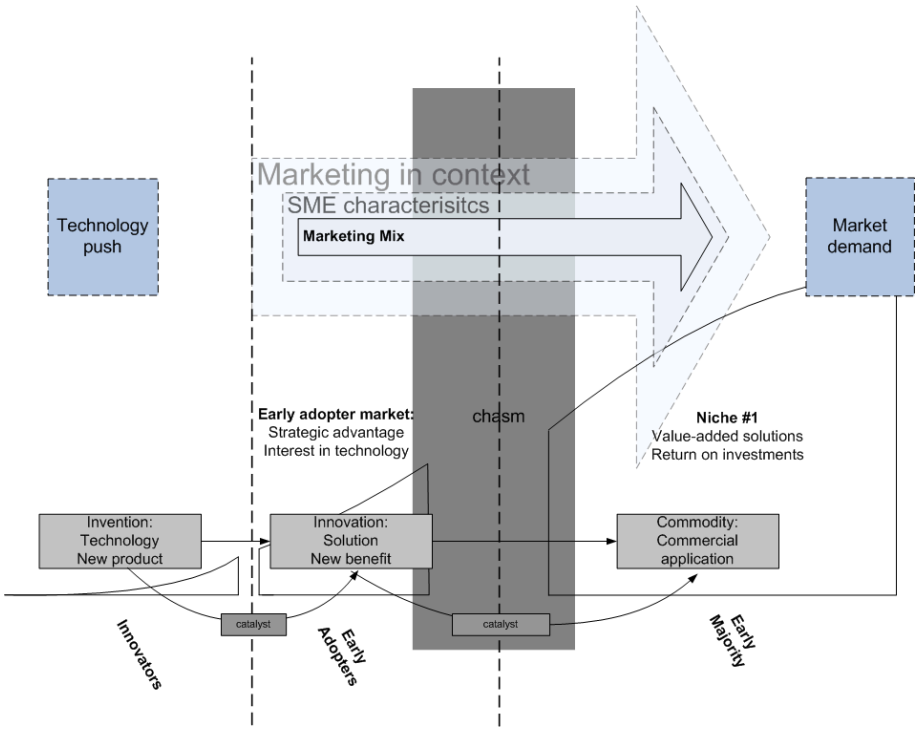
Figure 1. Marketing model for innovative software model (MISP)



gathering, analysis and interpretation. This research follows these recommendations for acceptance by academics as well as marketing practitioners.

EXPECTED FINDINGS

It is expected that the SME being studied will have a defined position on the MISP model and that marketing catalysts will not only be identified but also ranked in importance. Catalysts to move from innovator to early adopter are likely to be product information from external sources, acceptance by the innovator community, and evidence of functionality regardless of cost. Catalysts from early adopters to early majority pose a problem as there seems to be no effective cross-market communication between early adopters and the mass market of early majority adopters. Early majority adopters need to: solve an existing business problem with new benefits; minimise risk; and have sufficient trust and credibility in the new product. Results to date suggest that marketing innovative software products are dependent on the sector into which they are marketed. Because the existing interoperable infrastructure has such a dominant market position it would seem that the sales of this particular product are more likely to be made into companies operating closed grid systems – such as defence systems, systems requiring a high level of security or systems in which there currently is no such network in place. IT is not the network itself that will be the catalyst but rather products opera ting within the network.

FUTURE DIRECTIONS

Identification and rated importance of marketing catalysts should aid in developing a marketing plan for this particular SME. It is also expected that MISP will be applicable for further organisations. It is also envisaged that further evaluations of the model in other organizations will provide information to further fine-tune the model to make it more robust.

CONCLUSION

In this paper an evolutionary model (extended from Moore's (2002) crossing the chasm metaphor) for marketing innovative software products (MISP) has been proposed. It is expected that the completed research will identify the marketing catalysts required to move from innovator to early adopter and from early adopter to early majority. These catalysts will then facilitate the formation of a marketing place for this particular SME. These findings can not be generalised, however development of MISP adds to the body of knowledge for marketing innovative software products.

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