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Two Roads Converged

Accelerating Market Adoption for Electric Vehicles

**Silicon Valley Leadership Group
Driving Charged & Connected**

June 6, 2013

EV Market Development Strategy

Should it be B2B or B2C?

Two roads diverged in a yellow wood,
And sorry I could not travel both

The roads must converge!

To where it bent in the undergrowth;
Then took the other . . .

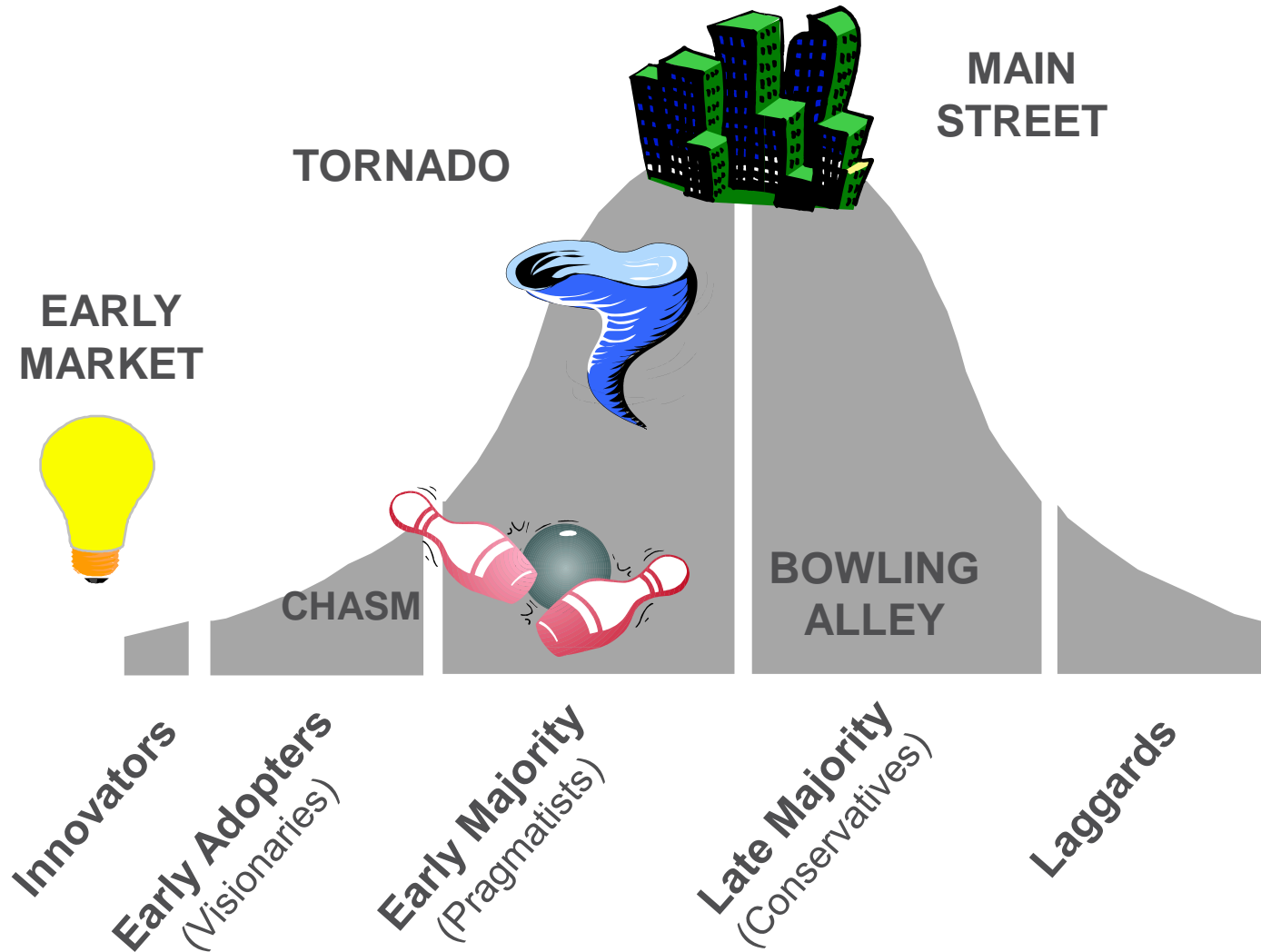
Road #1

Crossing the Chasm

A B2B Market Development Model

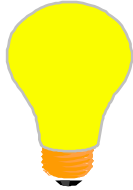
The Technology Adoption Life Cycle

How Disruptive Innovations Get Assimilated

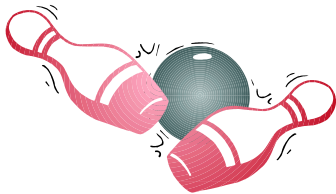


Implications for Market Development

Adapt Your Tactics to Your Adoption Stage



- **Deliver competitive advantage**
- Project orientation
- **Focus on *performance***



- **Fix a broken process**
- Solution orientation
- **Focus on *performance/price***



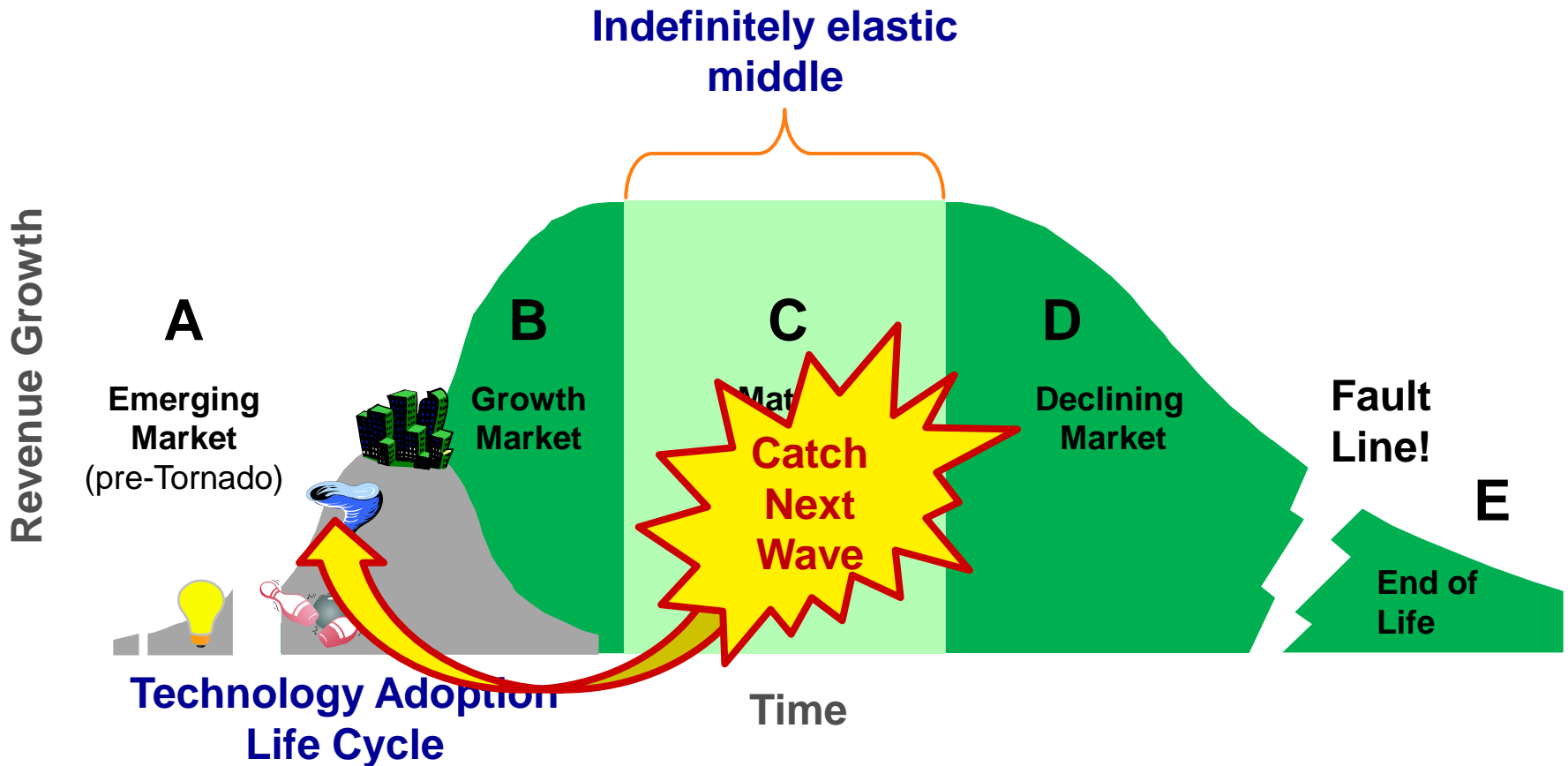
- **Improve productivity**
- Product orientation
- **Focus on *price/performance***



- **Reduce costs**
- Systems orientation
- **Focus on *price/TCO***

Category Maturity Life Cycle

Putting Technology Adoption in Perspective



Category Maturity Life Cycle

Putting Technology Adoption in Perspective

Revenue Growth

How you can tell:

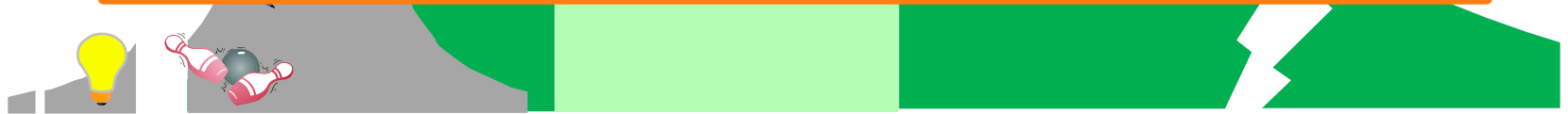
MS: Is there an established market pecking order?

T: Is there a land grab under way displacing the Old Guard?

BA: Is there a segment of the market that has fully converted?

X: Are there lots of seminars and conferences?

EM: Has a market darling emerged?



**Technology Adoption
Life Cycle**

Time

Where is Electric Vehicle Adoption?

Four Chasm-Crossing Success Factors

1. Accessible, Well-Funded Target Customer

- Pragmatists in pain, able to buy in bulk

2. Compelling Reason to Buy

- Broken mission-critical business process

3. Feasible Whole Product

- End-to-End solution for the broken process

4. Bowling Alley Potential

- Adjacent markets that would adopt after this one

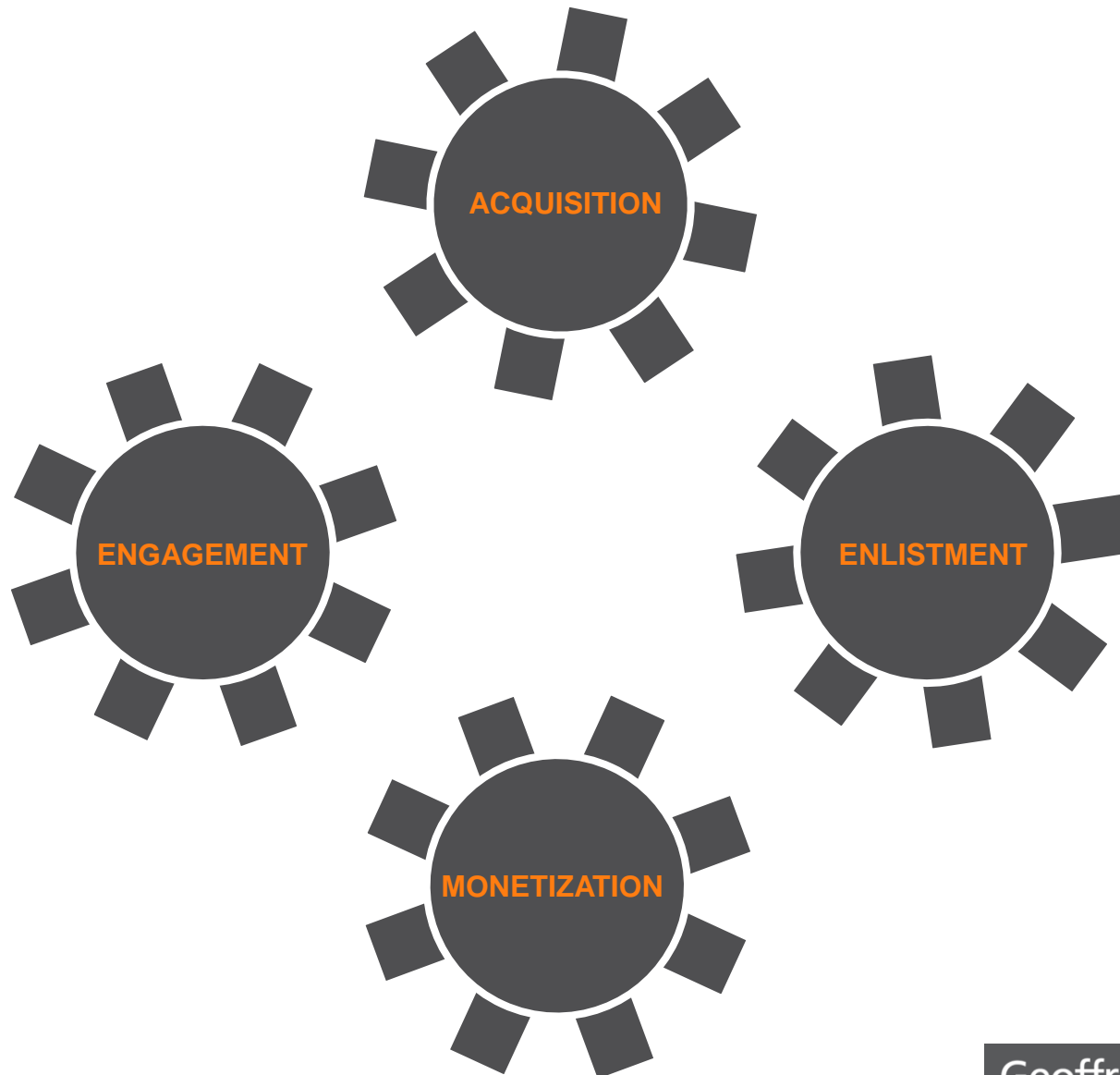
Do We Have Beachhead Segments in Mind?

Road #2

Spinning up a Tornado: A B2C Market Development Model

Spinning Up a Tornado

The Four Gears Model



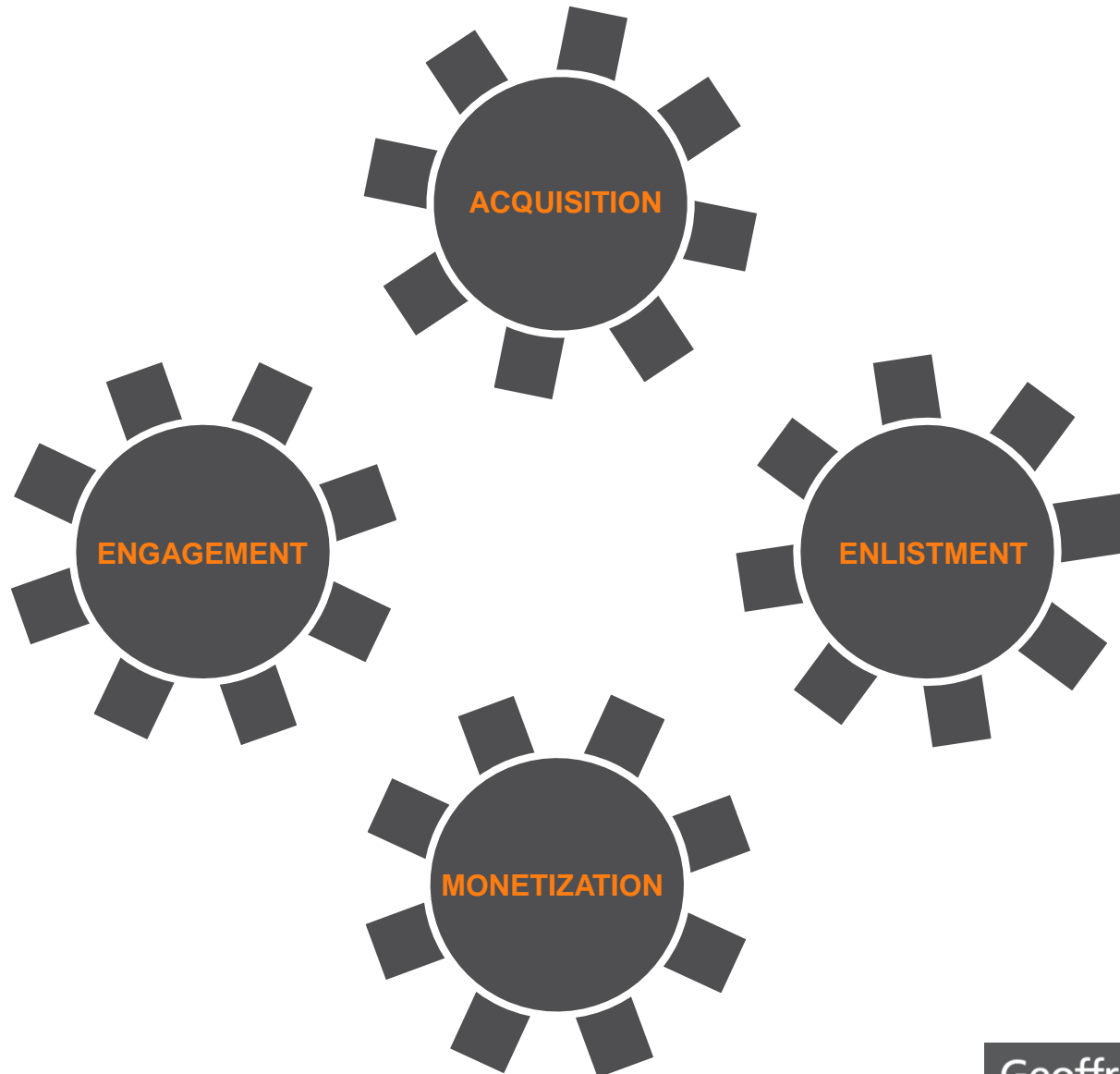
Spinning Up a Tornado

The Four Gears in Action



Spinning Up a Tornado

The Four Gears Model



Key Metrics for the Four Gears

Performance vs. Power



How many vehicles?
How many owners?

Performance Gears



How much vehicle revenue?
How much ARPU?

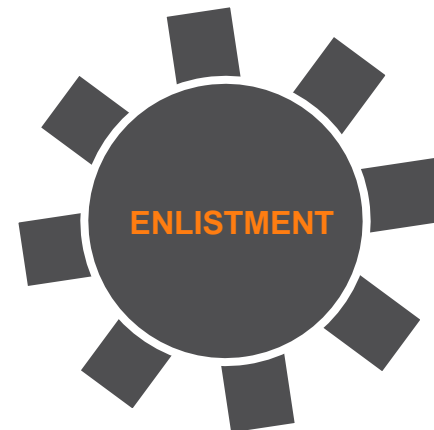
Key Metrics for the Four Gears

Performance vs. Power



How many miles driven?
What percent of total miles?

Power
Gears



How much social media?
How many referrals?

Slowest Gear Theory

- **Thesis**
 - Prior to the tornado
 - At any given point in time
 - One of the four gears is slowing the other three down
- **Actions Required**
 - Identify the slowest gear
 - Focus everyone on speeding it up
 - Maintain attention on the other three gears
 - Repeat every quarter until
 - The tornado happens
 - Or you run out of gas

An Alternative to Crossing the Chasm

The Four Gears Model



How Do We Work Both Roads in Tandem?

- **Crossing the Chasm**

- Top-down approach
- Segment market development, targeting specific enterprises
- Direct sales to the economic buyers
- Pay-as-you-go model
- Biggest risk: Getting stuck in a niche, losing out to a gorilla

- **The Four Gears**

- Bottom-up approach
- Land and expand, targeting end users
- Viral adoption leveraging digital communities
- Become profitable late in the game
- Biggest risk: Not getting real traction, running out of funding

What are your ideas?

Q&A

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