



MIT



**Accelerating Information
Technology Innovation**

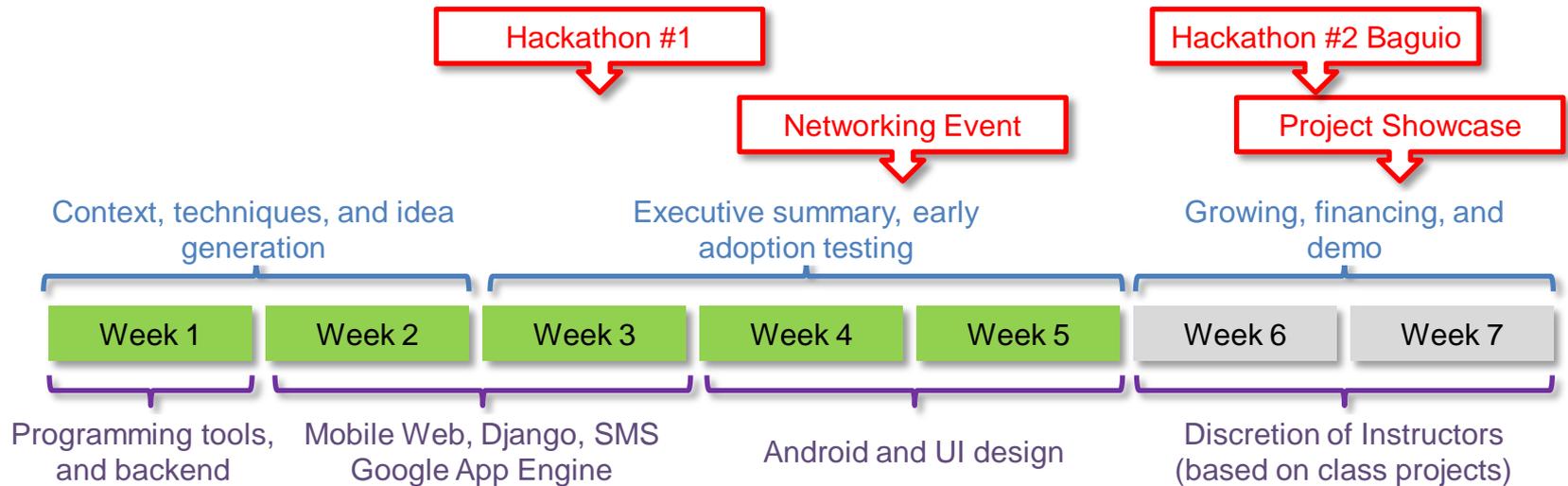
Sponsored by **Google** and by MIT International Science & Technology Initiatives

Lecture 10

Early Adoption Testing



CURRICULUM



SCHEDULE FOR TODAY

Time	Topic
4:10PM	Early Adoption Testing
4:35PM	Visual Design Techniques
5:20PM	Break
6:00-9PM	Lab time and feedback on data models

You have an **idea**, a core **team**, a **target customer**, and a **persona**



You have done **primary market research** to better understand our **value prop**



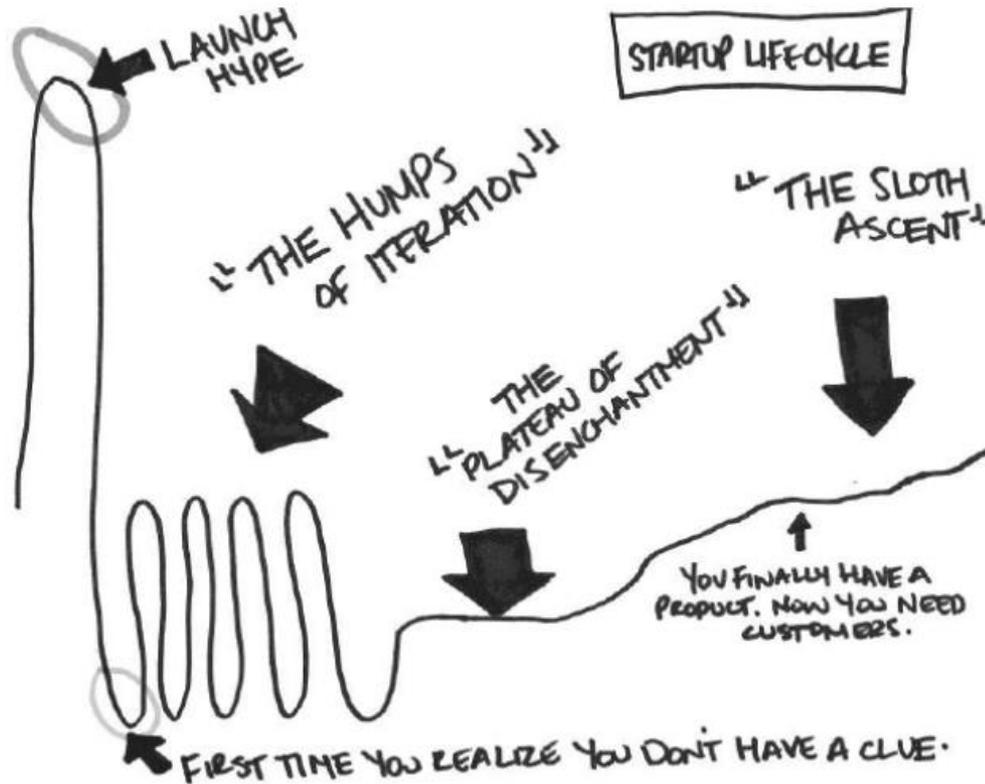
We have calculated our **total addressable market** and our **costs**



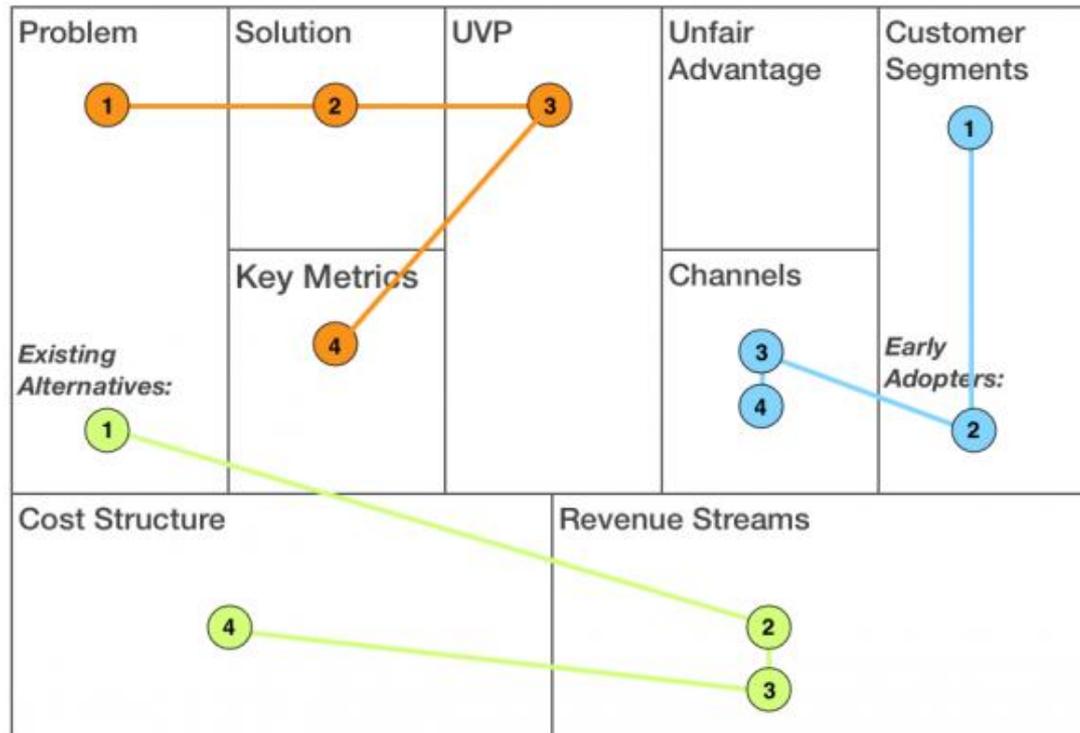
But will the dogs eat the dog food?



LIFE AHEAD OF YOU



MANY RISKS



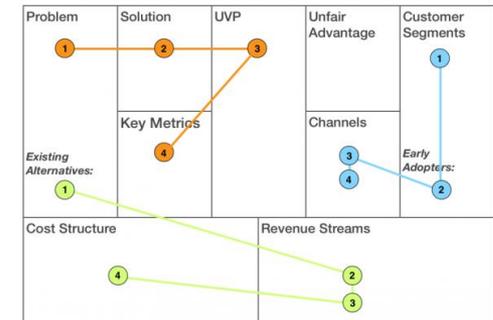
- Product Risk
- Customer Risk
- Market Risk

Modified business model canvas by Ash Maurya

UVP: unique value proposition

<http://www.ashmaurya.com/2011/10/the-10x-product-launch/>

MITIGATING RISKS



● Product Risk
● Customer Risk
● Market Risk

Product Risk – Getting the product right



1. First make sure you have a **problem** worth solving.
2. Then define the smallest possible solution (**MVP**).
3. Build and validate your MVP at small scale (demonstrate UVP).
4. Then verify it at large scale.

Market Risk – Building a viable business



1. Identify **competition** through existing alternatives and pick a price for your solution.
2. Test pricing first by measuring what customers say (verbal commitments).
3. Test pricing second by what customers do.
4. Optimize your cost structure to make the business model work.

Customer Risk – Building a path to customers



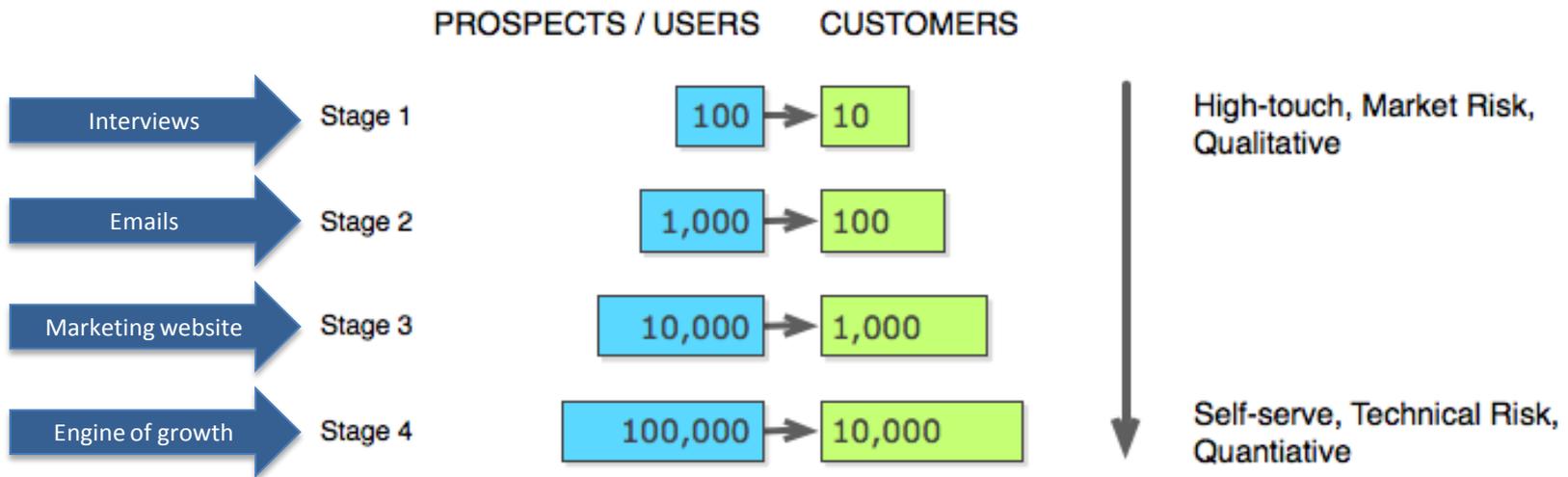
1. First identify who has the pain.
2. Then narrow down to **early adopters** who really want your product now.
3. It's okay to start with outbound channels.
4. But gradually build/develop scalable inbound channels – the earlier the better.

OUTBOUND? INBOUND?

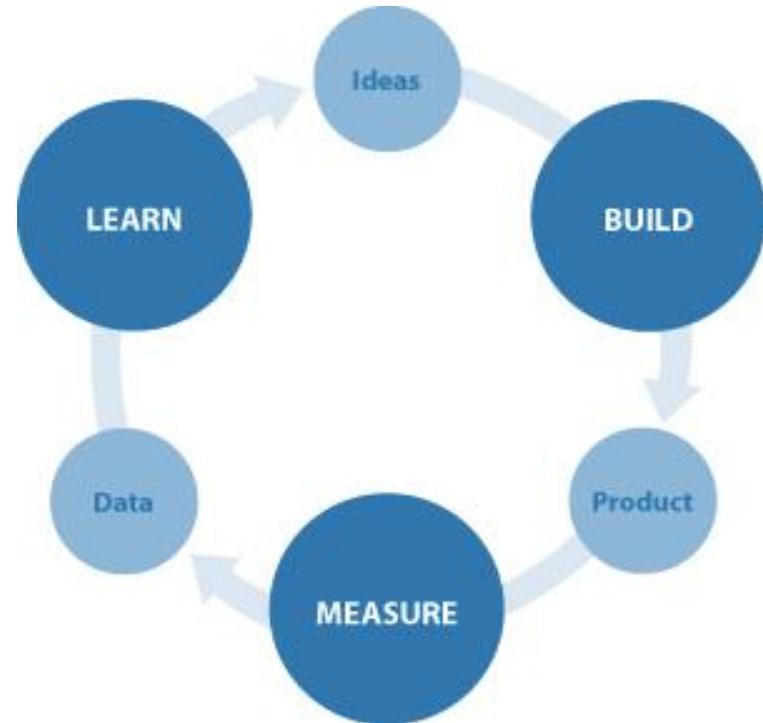
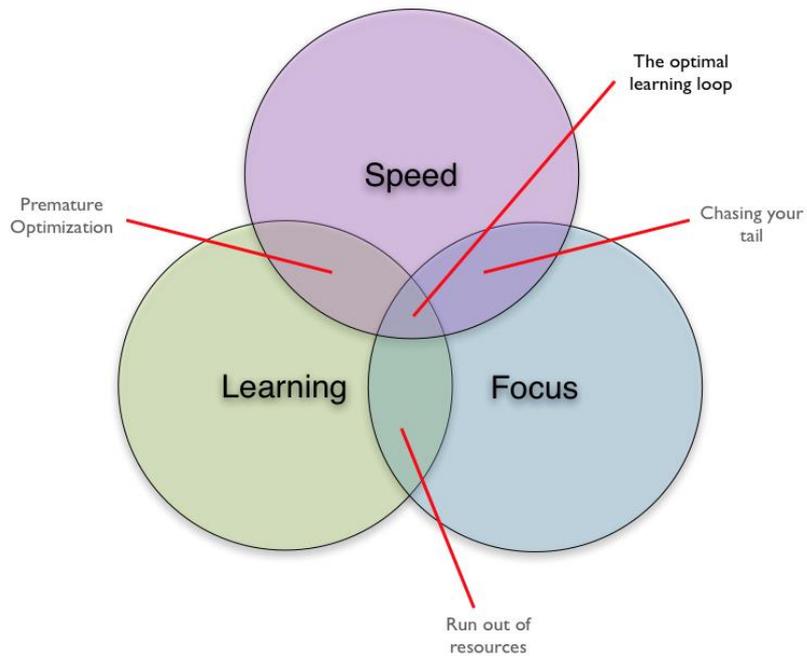
Outbound	Inbound
Print Ads	Blogs, Ebooks, White Papers
Television Ads	Viral YouTube Videos
Cold Calling	Search Engine Optimization
Trade Shows	Webinars
Email Blasts	Feeds, RSS
	

<http://blog.hubspot.com/blog/tabid/6307/bid/4416/Inbound-Marketing-the-Next-Phase-of-Marketing-on-the-Web.aspx>

GROWING BY 10X IN 4 STAGES



PRODUCT DEVELOPMENT



STAGE 1: EARLY ADOPTION TESTING



The first objective is finding motivated early adopters not on-the-fence users. Early adopters are as visionary as you but from the problem perspective. Customer interviews are a great way for qualifying early adopters. First key metrics: activation, retention (and revenue).

1. Use problem interviews to find a problem worth solving and identify your prototypical early adopter.
2. Put up a “problem focused” teaser page and start collecting email addresses.
3. Use solution interviews to define your MVP and recruit your first 10 “early adopter” customers (not users) – they pay you from day one. If you nail the right problem, this shouldn’t be difficult.
4. Make a bold promise, keep pricing simple, and back it up with a high-touch concierge MVP model and/or money-back guarantee.
5. Build your MVP and validate that it delivers on your Unique Value Proposition

NEXT CLASS: GROWING YOUR MARKET

Marketing

From Wikipedia, the free encyclopedia

For the magazine, see [Marketing \(magazine\)](#).

Marketing is "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."^[1]

For business to consumer marketing, it is "the process by which companies create value for customers and build strong customer relationships, in order to capture value from customers in return for the goods and services they provide." In business to business marketing it is creating value, solutions, a relationship either short term or long term with a company or organization.

Viral marketing

From Wikipedia, the free encyclopedia

Viral marketing, **viral advertising**, or **marketing buzz** are buzzwords for existing [social networks](#) to produce increases in [brand awareness](#) or product sales) through self-replicating [viral](#) processes, analogous to [internet memes](#) and [memetics](#)). It can be delivered by [word of mouth](#)

Marketing research

From Wikipedia, the free encyclopedia

Marketing research is the systematic gathering, recording, and analysis of data about issues relating to [marketing](#) products and services. The goal of marketing research is to identify and assess how changing elements of the [marketing mix](#) impacts [customer behavior](#). The term is commonly interchanged with [market research](#); however, expert practitioners may wish to draw a distinction, in that *market* research is concerned specifically with [markets](#), while *marketing* research is concerned specifically about

Social media

From Wikipedia, the free encyclopedia

Marketing Communications (or MarCom or Integrated Marketing Communications)

Marketing Communications (or MarCom or Integrated Marketing Communications) are [messages](#) and related media used to communicate with a [market](#). Marketing communications is the "promotion" part of the "Marketing Mix" or the "four Ps": price, place, promotion, and product.

Content marketing is an umbrella term encompassing all [marketing](#) formats that involve the creation and sharing of [content](#) in order to attract, acquire and engage clearly defined and understood current and potential consumer bases with the objective of driving profitable customer action. Content marketing describes the creation and distribution of high-quality, relevant and valuable content that attracts and drives profitable consumer action in terms of retaining relationships.

Search engine marketing (SEM) is a form of [Internet marketing](#) that involves the promotion of [websites](#) by increasing their visibility in [search engine results pages](#) (SERPs) through optimization (both on-page and off-page) as well as through advertising (paid placements, contextual advertising, and paid inclusions).^[1] Depending on the context, SEM can be an umbrella term for various means of marketing a website including [search engine optimization](#) (SEO), which adjusts or rewrites website content to achieve a higher ranking in search engine results pages, or it

gh-quality, relevant and valuable content that attracts and drives profitable consumer action in terms of retaining relationships.

Marketing channel

From Wikipedia, the free encyclopedia

For the chain of intermediaries, see [distribution channel](#).

A **marketing channel** is a set of practices or activities necessary to transfer the ownership of goods, and to move goods, from the point of [production](#) to the point of [consumption](#) and, as such, which consists of all the [institutions](#) and all the [marketing](#) activities in the marketing process. A marketing channel is a useful tool for management.^[1]

Roles of marketing channel in marketing strategies:

- Links producers to buyers.
- Performs sales, advertising and promotion.
- Influences the firm's pricing strategy.
- Affecting product strategy through branding, policies, willingness to stock.
- Customizes profits, install, maintain, offer credit, etc.

An example of this is an apple orchard: Apple orchard > Transport > Processing factory > Packaging > Final product to be sold > Apple pie eaten

Internet marketing

[Search engine optimization](#)

[Social media marketing](#)

Email marketing

[Referral marketing](#)

[Content marketing](#)

Search engine marketing

[Pay per click](#)

[Cost per impression](#)

[Search analytics](#)

[Web analytics](#)

Display advertising

[Contextual advertising](#)

[Behavioral targeting](#)

Affiliate marketing

[Cost per action](#)

[Revenue sharing](#)

Mobile advertising

Direct marketing is a channel-agnostic form of [advertising](#) that allows businesses and nonprofits to communicate straight to the customer, with advertising techniques such as mobile messaging, email, interactive consumer websites, online display ads, fliers, catalog distribution,

