



# Stanford eCorner

## Market Maturity Life Cycle

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Video URL: <http://ecorner.stanford.edu/videos/1320/Market-Maturity-Life-Cycle>

Moore focuses on innovation and discusses the different stages in the market maturity life cycle.



### Transcript

And that's where we get to this model of innovation types in the category Maturity Life Cycle. So this is the model that reaches all the way back to 1991 in *Crossing The Chasm*. And in this particular context, what became necessary to do is to say look, the Technology Adoption Life Cycle has lots of very interesting ramifications but they're all applied to growth markets. And once the market of the category begins to mature, they no longer apply. So all these stuff that happens in Zone A has been pretty thoroughly discussed in *Crossing The Chasm*, and *Inside The Tornado* and *The Gorilla Game* and all that kind of stuff. As we move forward in the market, there are these other stages. B turns out to be a great stage. By the way, if you want to get employed and want to have a terrific resume, join companies, let's say, going from A to B and take credit for the categorical rise of the company during the B phase. Because every company succeeds during the B phase of a category. You can have on your resume; I took my company from \$50 million to \$200.

The fact that it was floating on a rising tide, you know, no, no, no. This is my work. They did that. OK. So that's B, OK. It's a great time to be in a company. C is the challenging one particularly for this ballot. Now, in a lot of industries, people double C for a long time. The text sector has not. One of the reasons this book is being written now and not ten years ago or ten years from now is that the sector has gone through some kind of inflection point.

And as a sector, if you are looking at the growth rates of the sector, if you're kind of looking at just the investment properties of the sector, there's this been a sort of shift. And all sudden we're feeling a little bit more middle aged than we ever have in the past. That Indefinitely Elastic Middle which is a middle age property. The idea behind that is we are now in a stage of the market were it can go on indefinitely and we'll go on until some technology of the future creates enough action in A that C gets pushed into D. So, if you look for example right now, what the open source Linux community is doing to Solaris. Solaris was in C indefinitely. NT tried to push Solaris out, couldn't do it, but NT plus Linux is now pushing Solaris into D. And if you can go further, if the technology goes in to the tornado and really takes off, you can get in to E. And that's what happened to Kodak, right? Kodak and Kodak Digital Photography has now forced film into E and the corporation has had to radically re-shift its agenda very painfully to reinvent itself around digital photography with EasyShare and buying old photo and becoming a camera company again, whereas for the last 80 years, they've been a film company. OK? So here's disruption.