

Gartner Analyst Relations Newsletter

March 2009 Vol. 3 No. 1

The Gartner Analyst Relations Newsletter is a free e-mail newsletter published on a quarterly basis. It is a tool designed to provide analyst relations professionals with insight and best practices on how to best engage with Gartner for your success.

To subscribe, [click here](#).

In This Issue:

[Refocusing the Analyst Relations Role in a Difficult Economy](#)

[Interview: Analyst Relations Best Practices](#)

[The Gartner Blog Network](#)

[Gartner Research Quality Annual Focus Group Findings](#)

[Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time](#)

[New to the Research Team](#)

[High-Tech & Telecom Programs](#)



Jeff Golterman
GVP, High-Tech &
Telecom Programs

Dear Colleague:

2009 is off to a fast and, might I add, interesting start. Over the past several months, I've had the pleasure of speaking with many of you about the challenges you face as analyst relations professionals in the current economic times.

While perspectives vary by high-tech segment and by region, as IT end-user spending slows and high-tech and telecom providers respond, there are clear patterns of change emerging in analyst relations behaviors. Our first article, [Refocusing the Analyst Relations Role in a Difficult Economy](#), describes some of these changes and recommends where AR professionals can have both short- and long-term impact on their firm's success.

We follow this with an interview of one of your peers, [Bernd Einmeier](#), global head of analyst relations for Fujitsu Siemens headquartered in Germany. Bernd shares with us how his AR team is measured and how today's economic changes are driving both a reinforcement of, and changes to, certain elements of his strategy.

A subject you've asked to hear more about is the [Gartner strategy for analyst blogs](#). We interviewed Peter Sondergaard, senior vice president, Gartner Research, to get his perspective on Gartner analyst blogs and other uses of social media by our analysts. In this interview, Peter expands upon the insights he shared at our Gartner AR Forums held at the end of 2008. In particular, he explains how the Gartner analyst blogs are used as research tools and how AR professionals might engage Gartner analysts through this medium.

During our [January teleconference](#), Jenni Lehman, group vice president, Gartner Research, shared high-level results of the [focus groups](#) on research quality in which many of you participated. Jenni now shares further details with a eye toward what our high-tech clients are asking for regarding research quality. Jenni's findings will help you understand what drives our continuous improvement efforts in this area.

To address your continuing interest in understanding how Gartner clients utilize our methodologies, we thought we'd share an [interview with VPs and Gartner Fellows Jackie Fenn and Mark Raskino](#), co-authors of [Mastering the Hype Cycle](#), published by Harvard Business Press. Their interview will provide you with a deeper understanding of how IT end-user decision makers use Hype Cycles, and recommendations on how high-tech providers can avoid some of the traps high-tech marketers can fall into.

We wrap up our newsletter with an update on [new analyst arrivals](#), as well as a few changes in the [High-Tech & Telecom Programs team in our](#)

[AR product management](#) area. We trust you will enjoy this quarter's newsletter, and, as always, we look forward to your feedback and comments.

Wishing you a productive start to 2009!

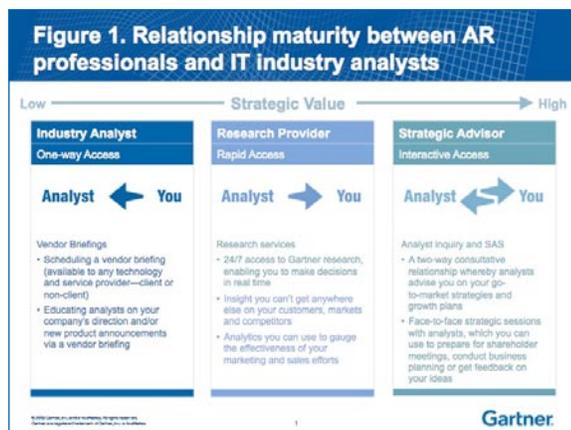
Refocusing the Analyst Relations Role in a Difficult Economy

BY JEFF GOLTERMAN

As the economy continues to decline and IT decision makers reduce their spending, professionals in IT provider marketing, market intelligence and analyst relations are being asked to drive growth with fewer budget and investment dollars.

For AR professionals seeking to help their companies through these difficult economic times, we see a marked shift in focus toward de-emphasizing a pure "public relations" approach to AR and refocusing on high ROI and fast-to-implement initiatives in order to make measured contributions to their company's top line. Here we will discuss both the mind-set shift we see among leading AR professionals and the specific initiative areas where AR is focusing in order to have the strongest impact during the current economic slowdown.

We've observed that those AR professionals more advanced in their craft, and driven by the constraints of current economic conditions, are wasting no time in getting every bit of value out of their relationships with IT industry analyst firms. They are minimizing time spent on traditional PR-related activities (see the left-hand box in Figure 1) and are instead taking a more strategic, fully interactive, two-way approach (see the right-hand box of Figure 1). They are providing their companies with the greatest value and are better able to demonstrate measured impact by maximizing the full contract value of their IT research and advisory suppliers.

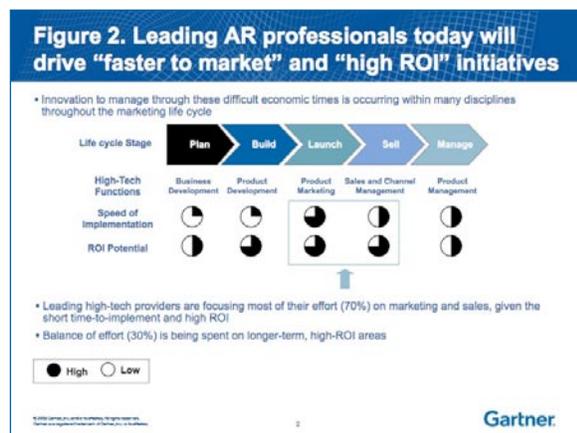


Though these observations might appear as no-brainers to the more senior AR community members, even advanced AR teams tell us about the challenges of

developing this more strategic mind-set and the accompanying trust-based relationships with analysts upon which it depends.

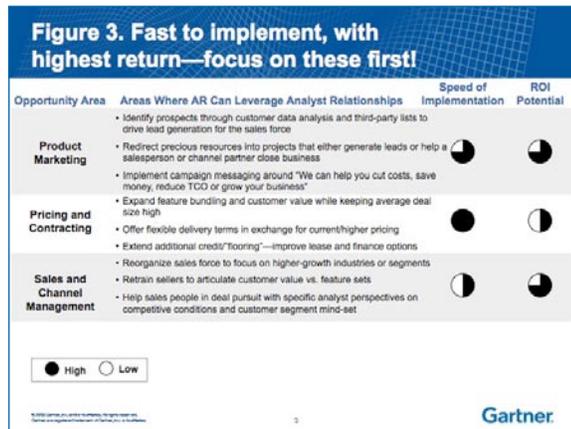
Meeting these challenges pays off. Our observations conclude that AR professionals who can bring analyst insights to bear in solving a broader set of high-tech provider problems actually provide their organizations up to five times greater value, as compared to peers who take a tactical, one-way, PR-focused approach.

Once this strategic mind-set is established, there are many areas where IT industry analyst expertise can be applied to aid decision making within a typical high-tech provider organization. In today's economy, this can be a curse to the AR professionals who are detached from the day-to-day business and unaware of key priorities, since the choices of where to apply IT analyst expertise to high-tech enterprise initiatives is quite broad (see Figure 2).



In recent interviews of high-tech marketing executives and managers, where we have asked them how their marketing budgets are shifting, interviewees describe the need—often driven by the CFO—to focus on initiatives that can have significant ROI and be delivered in a short time frame in order to aid companies searching for new growth in the difficult economy.

From the many cases in which Gartner analysts have been asked to help high-tech clients, we've also found that while projects often spanned multiple functional areas, those with high ROI and short time-to-implement are in the highest demand. These initiatives tend to fall into three key areas: product marketing; pricing and contracting; and sales and channel effectiveness (see Figure 3).



AR professionals can have significant, immediate and measured impact today by leveraging their analyst relationships to bring analyst expertise to bear in helping their firms solve key problems and/or address key issues.

The cases that demonstrated strong ROI and a high speed of implementation were those involving assistance with the following issues:

- Quantifying new growth market opportunities
- Building company and solution awareness in new markets
- Identifying prospect wants and needs in new markets
- Proper messaging and communications
- Campaign lead generation
- Feature repackaging; repricing
- Sales force and/or channel education
- Pursuit of new types of sales deals

In summary, the current economic downturn provides strong opportunities for AR professionals to contribute significantly to their company's ability to survive and, as the economy strengthens, to thrive once again. Those who will make significant contributions to their company's success have first made the mind-set shift toward the development of highly interactive, two-way and strategic relationships with analysts. Then, by understanding their company's high-ROI and short-time-to-implement initiatives, they will leverage their new and existing analyst relationships to bring new insights to bear to help make these initiatives successful.

The key to success is abandoning a pure PR and one-way communication approach to analyst relationships, eliminating the protective barriers around problem sharing, and developing analyst relationships that are trust- and fact-based. We look forward to hearing more success stories during these difficult economic times that describe the significant contributions of the AR community.

One AR community member who demonstrated a number of leadership qualities in being very much aligned with the business is Bernd Einmeier, global head of Analyst Relations at Fujitsu Siemens, headquartered in Munich, Germany. I recently had an opportunity to visit with Bernd and subsequently interview him for our newsletter. Here are some excerpts from that interview.



Bernd Einmeier
Global Head of Analyst
Relations
Fujitsu Siemens

Analyst Relations Best Practices An Interview With Fujitsu Siemens Bernd Einmeier, Global Head of Analyst Relations

We sat down with Bernd Einmeier, global head of analyst relations at Fujitsu Siemens Computers, to talk about AR best practices and the challenges in this business climate. With extensive experience in industry IT marketing, sales and product marketing for AT&T GIS and Siemens Nixdorf, Einmeier manages a complex AR function for this leading European IT infrastructure provider. Fujitsu Siemens Computers is present in all key markets in Europe, Africa and the Middle East, serving 170 countries. Effective April 1, 2009, the company will integrate into the Fujitsu Group.

Has the economic downturn had an effect on your organization and the AR function?

The Fujitsu Siemens organization will be transferred and integrated into the Fujitsu Group, but there is no major change for the AR team. Ongoing adaptation is normal and is not affected by the economic downturn. Our industry feedback and our internal evaluations lead us to believe that with our AR budget and head count, we are performing as a best-in-class AR function. At the moment, we see no need to change the measurement system.

How do you measure the effectiveness/success of the AR organization?

We do primary research through an annual analyst satisfaction survey. We also monitor the soft factor of "analyst intimacy," which is defined as an open-minded, bidirectional communication between our Analyst Experts and the industry analysts. In addition to the annual analyst satisfaction survey, we look at a variety of factors, including:

- The number of analyst touchpoints (face-to-face, webinar or phone contacts)
- Results of analyst ratings (Magic Quadrants, Waves, etc.)
- Tonality of written analyst reports
- Tonality of verbal analyst communications
- At an analyst event we are sponsoring: generated sales opportunities and revenue

What research (market opportunities, etc.) has become more important to you in this economic environment?

The most relevant analyst research in terms of communication is research that gives the customer's orientation in complex IT environments. Following the magic four "C's" of AR, customers need professional analyst advice for products, solutions and services if their situation is any or all of the following:

Complex: If it's simple, business managers don't need analysts.

Changing: Business people aren't stupid; they can understand complex topics. However, if it's complex and also changing quickly, they can't devote the time that is needed to keep current.

Critical: If it's not important to the business, it's not important enough to spend money for analyst opinions.

Costly: Analyst opinions are not inexpensive. The decision must involve enough money that the difference between the right choice and the wrong one exceeds the cost of analyst advice.

What advice do you have for your AR peers to help them shift their mind-set to a commercial orientation?

The success is in the networking setup. Three years ago, we had a typical classic approach, with a PR specialist and other staff, but that wasn't very effective; it was just broadcasting communications and setting up a briefing call. What would happen was that if the analyst had a question, the first time he got product manager No. 1, the second time he got product manager No. 2 and the third time, product manager No. 3. So it was always a new face for him.

Now we have a network where the people are connected. It's how we build up intimacy, build up a relationship, develop a common understanding of the weaknesses, about the threats, about the problems of the day. The intimacy is also in seeing not the analyst's firm to be briefed, but the people to be briefed, and having empathy as much as possible.

AR is part of the Corporate Communication department reporting to the CTO. We've defined the roles and responsibilities of the AR team to promote internal collaboration, which is critical to success:

Analyst Core Team members: Define analyst directions, necessary actions and road maps. Define the content and coordinate the Analyst Experts.

Analyst Experts: A defined community of specialists who have regular contact with analysts and execute the road map.

Specialists: Answer detailed questions from analysts (on demand).

Executive Management Council (EMC) members: Execute a continual senior management program to establish vital relationships.

AR Managers: Ensure that the AR network is vital and provide consultation on analyst directions, necessary actions and execution.

How does the team work together?

We have specialists where needed and where necessary, but the Core Team members and the Analyst Experts are the primary contacts. We also have an Executive Management Council with six board members. It's important for quick execution that the Core Team members are senior managers. If an AR manager believes he can run AR, with his team or with his agency support, then he (or she) will fail. You need to include the business unit because they own the business responsibilities.

How would you advise a peer who wanted to put a structure like Fujitsu Siemens's in place? What first steps would you recommend they take?

First, go to the people who are influential to make up your core team. My first Core Team members were those who were well respected in the organization and who were role models. They were heads of several services and businesses units. My job is to work with them on a regular basis and to explain to them why it's important to invest the time. You need skills to manage a virtual team. I get the payback for AR, but I also have to give them a value-add for their baselines. I give them the access to the analysts, the opportunity to make better business decisions after having these discussions, and the chance to have their messages tested for their communications. It's not always easy, but we can give our Core Team all of these things.



Peter Sondergaard
SVP, Gartner Research

The Gartner Blog Network

We recently talked to Gartner Research SVP Peter Sondergaard about the Gartner Blog Network, including activity since the September launch, the role of the AR community and plans for the future. Peter believes there is a significant role for the AR community in the development of the network and that "we need to see AR professionals actually engage with Gartner blogs on our network" to help the network evolve.

What has been the activity on the Gartner Blog Network?

Since our September 12 launch, traffic to the Gartner Blog Network has been substantial in terms of daily visits and page views. So from an activity perspective, this is very successful. The purpose of the network is for analysts to engage with the external world in a similar fashion to using the telephone or just talking to someone. When it comes to generating input for our research, there's no difference between these methods of interaction. It's very important to remember that the network is not a research delivery platform and not a part of Gartner products. It's a personal blog, so it's not topic-based and it's not something specific to AR; it's specific to the person.

How have the Gartner analysts engaged with the blogging capability?

We have between 300 and 350 analyst posts per month. In certain areas, the Blog Network has generated substantial input. Many of the analysts have been very diligent in terms of using the postings as a way to highlight research, and they have written on gartner.com, which is available to people who can access the research. Not all analysts are equally prolific as bloggers because their areas and research agendas don't necessarily always lend themselves to external interactions.

Has the Blog Network had any other impact?

Yes. The Blog Network has enabled us to extend the Gartner brand and ultimately drive traffic back to gartner.com. It also serves as a promotion vehicle for prospects. The environment has enabled us to highlight sections at conferences and therefore create an interest around what we're doing from a conference perspective.

The objectives we had when we started the network, to be a research vehicle and to promote the Gartner brand, have been achieved. We've started to see some impact on the third objective: to engage the PR community. In many instances, journalists rely heavily on blogs (and inputs to blogs) as vehicles for forming their opinion for articles and also for background quotes; so we've started to see some of the Gartner blogs used elsewhere.

What improvements are planned for the future?

As a result of all this activity, we will probably upgrade the technology platform so that it's even easier to use with an integration layer. These blogs are personal to the individual, but an integration layer on top aggregates all of the comments in a structured way. And we are looking at adding a few extra people, and probably also taking a few people out. As of January 2009, there will likely be an additional set of people that are out there. This is an evolving strategy we will be looking at regularly during the year.

How should the AR community understand the purpose of the Blog Network?

First and foremost, this is another vehicle for Gartner analysts to get input on things that are happening. And so for the AR community, it's important to understand that this is not a vehicle for influence—it's not a vehicle for us to influence the outside world. It's a vehicle for us to gather input. And that means it's a mechanism for the AR community to engage with analysts in their research process. So the blogs are rich in information, they're rich in personal information, but it's not a Gartner position, it's not Gartner deliverables. These are "yet to be formed" positions, and so I hesitate calling this "opinion" because it's exploratory opinion at best. The blogs are no different than a conversation we would have over the phone, or over a dinner or lunch. It's no different, in fact, than how the AR community already engages with us in a variety of formats.

What is needed from the AR community to advance the Blog Network?

At this stage, we want to learn, so we need AR professionals to actually engage with Gartner analysts on our network, apart from their own personal blogs. I think the AR community needs to discover that this is a way of actually engaging with the analysts. I'm not yet convinced the AR community is active from a perspective of engaging with analyst bloggers. They read it, but they're not active participants. I think it needs to be a "pull" from the AR side, as opposed to a "push" from the Gartner side.

Will there be any innovation for the AR community in terms of enhanced blog features?

Based on our learning from AR participation, I think we will start entertaining certain things we can do for AR professionals, such as community-like features in our products, but that's different than the Gartner Blog Network, at least for now.

What is your opinion of industry analysts engaging on social networks, such as Twitter, Facebook, etc.?

The best way to understand this is to remember that we did not create a new blog policy for Gartner. We've been very specific on using the words a "Web presence" strategy and a "Web presence" approach because you cannot isolate it only to blogs. Blogs are a narrow medium in relationship to the totality of what's on the Web. So our approach is equally valid for Twitter, in which both Gartner itself and many analysts are active, as well as Wikis and other discussion forums that exist on LinkedIn or Facebook.

What we designed was something that allowed us to entertain this, and we built a Gartner platform with the Blog Network; but the policy is not restricted only to blogs. The Web presence strategy and Web presence policy were designed by a number of analysts and coordinated by Managing VP Anthony Bradley, Ombudsman Nancy Erskine and Lew Schwartz, our legal counsel, and myself. So it's actually very much driven by the analysts because it's a tool for the analysts.

Are there plans to blog with other analysts or on other forums?

We're still a little bit hesitant in terms of blogging with other analysts. I know there are a couple of analysts with Forrester in particular, active bloggers who comment on our content. I'm not really sure you would see us do much of that. I don't think we should put that out to the external world, and so we're not going to actively pursue it. I don't really want to get into one-to-one comparisons between them and us, so I approach this from the perspective of saying, "Let's not stoop to something like that." I don't really think there's much in it apart from academic debate, which doesn't yield much for our clients. And that's really what I'm focused on. I need to deliver value to our clients.

For more information, please visit the Gartner Blog Network at <http://blogs.gartner.com> and the Gartner Blog FAQ at <http://blogs.gartner.com/gartner-blog-network-qa>



Jenni Lehman
GVP, Gartner Research

Gartner Research Quality Annual Focus Group Findings

The Gartner research organization conducts annual client focus groups at the Symposium conferences in Orlando and Cannes. In these groups, we gather direct feedback from end users, vendors and, in 2008, analyst relations professionals, to understand how we can improve the quality of our research. The feedback we receive is evaluated and used to develop new methodologies and research programs. It is also used to measure year-over-year satisfaction, and it is considered in annual planning and prioritization. The ultimate goal is to ensure that Gartner is delivering the highest value and a quality experience for all clients.

The objectives for the 2008 research quality focus groups included the following:

- Gain perspectives for communicating/previewing research agendas.
- Gain reactions to a proposed methodology focused on business impact—Strategic Technology Maps.
- Gather feedback on document labeling and tagging suggestions.
- Understand improvements in the use of Gartner graphics and visuals.

Results from the 2008 focus groups are summarized in this article.

Research Agendas

Awareness of published research agendas was limited among all clients. However, when shown examples of how research agendas could be communicated, current practices in this regard were generally seen as adequate. End users made some suggestions regarding communicating topical coverage. Vendors and analyst relations professionals expressed very specific requirements about the Gartner publishing schedule and review cycles where they pertained to the client's specific company or technology sector.

Document Labeling and Tagging Suggestions

Although always a topic for much discussion and debate, the most appropriate taxonomy for Gartner research gained no real consensus. However, there was strong agreement that improvements in the classification and labeling of research documents would enhance the identification and dissemination of relevant content. Suggestions for useful classifications were groupings by IT role; business vs. technical focus; or strategy-level vs. implementation-level detail.

A newer concept also emerged among a sizable subsection of clients around the inclusion of greater Web 2.0-enabled collaborative taxonomies, such as folksonomies, user- and/or Gartner-generated tags, user commentary and/or ratings, and so forth.

Client receptivity to the range of improvement areas explored in the 2008 research focus groups was noticeably positive, and indicative of the relevance of the Gartner focus on this specific set of improvements. Users and vendors were in general alignment on priorities, placing the most emphasis on:

1. Enhancements to document classifications and labeling
2. Improvements in the use of visual/graphical information displays
3. Further development of the proposed Strategic Technology Map concept

If you are interested in discussing this topic further with Gartner and/or participating in future Research Focus Groups, please contact deborahneitz.daily@gartner.com.



Jackie Fenn
VP and Gartner Fellow,
Gartner Research

Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time

An Interview With Authors Jackie Fenn and Mark Raskino

BY RICHARD FOUTS

There was a time when venture capitalists couldn't write checks fast enough to promising online businesses—many to young entrepreneurs who hadn't seen their 30th birthdays. The e-commerce bubble burst less than five years after the initial hype in the late 1990s. However, doing business online continued to mature, and today millions of dollars in online transactions will change hands by the time you finish reading this document.

New ideas, especially those that promise breakthrough business performance, tend to go through Hype Cycles, a model observed and invented by Jackie Fenn in 1995. But as she noted then, reaping the results of innovation is critically dependent upon adoption timing. Ms. Fenn and her colleague, Mark Raskino, have authored a new book, *Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time*.

Those of you who attended our AR Forum this past fall received a copy of the book. With this interview, the authors highlight how the Hype Cycle works, which is of particular importance to vendors. An upcoming interview will explore additional issues.

Your book is about the hype that accompanies innovation enabled by information technology. But hype occurs all around us. A rock star catapults to fame, then disappears. The hugely hyped film closes in a week. We see political candidates quickly rise and fall. Just how universal are your Hype Cycle principles?

Fenn:

The ideas and principles behind Hype Cycles are broadly applicable, and we believe the Hype Cycle applies to anything that has an element of novelty that attracts attention. But Hype Cycles are different from some of the things you reference, better characterized as fads, which rise and fall, never to come back up.



Mark Raskino
VP and Gartner Fellow,
Gartner Research

Raskino:

A true Hype Cycle occurs when there's a disconnect between the idea's initial excitement and what is a reasonable period of time for the idea to progress through its evolution to real value, hence maturity and adoption. It's the unrealistic view of an idea's evolution to mainstream adoption and payback that characterizes hype, which is what we talk about in the book.

Technology providers suffered from not-invented-here syndrome. Now companies like Cisco, HP, IBM and Microsoft can't seem to import innovation fast enough, as they acquire small companies that have developed new ideas. But as you note, the end customer won't adopt a good idea if certain capabilities aren't present. How do we understand value?

Fenn:

There are four capabilities that need to be in place to realize the promise of value. We refer to them as value gaps.

The first is performance. You have to reach a certain level of capability before you're ready to go to market. Vendors are most familiar with this driver, since price/performance is one of the metrics they look at first, especially from a competitive viewpoint. Enterprises might be prepared to accept less-than-perfect performance if the innovation can provide benefits over the current way of doing business. Consumers typically have higher performance expectations.

The second gap that must be closed is integration, which is a particularly large challenge when selling to corporate markets. The idea must scale, and it must have resolved any network management, security and compliance issues. And it's not just about physical systems integration issues. The business process integration issues need to be addressed as well.

The third value gap is penetration. Even if an innovation performs spectacularly and integrates well into existing processes, it won't reach adoption if people won't use it. In such a case, the company might see the value, but the individual does not. For example, the pioneers of speech recognition told executives, "If this dictation technology works, you won't need a secretary." You can imagine how that went over.

Payback is the fourth value gap. An innovation can fill the other three value gaps, but if it fails the financial hurdles erected by the CFO, or if it doesn't return the dollars the CEO expects over a specified time, your idea won't start moving into adoption. Payback is not always as clear as you think, because you may not even know where the threshold for payback lies until you try.

Raskino:

When it comes to performance, integration, penetration and payback, products may have to hit critical mass to get the economies of scale they need to favorably compare with alternatives before they can start up the plateau. An example is the e-books market. Amazon needs publishers to buy in. Amazon also needs to negotiate good deals with the wireless providers that play a role in the e-book value chain. All of the participants need a business case that works for them, not just Amazon. Sometimes this takes years. Another example is the electric car. When oil is at \$120, the battery looks good. At \$68, it doesn't. So it can be a

bit of a white-knuckle ride if the innovation has a complex value chain of participants that have their own business case requirements.

Let's say an idea delivers on your four value gaps but is marketed to a slow adopter—what you call Type C organizations. What is your advice to technology providers that have innovative ideas for industries that have traditionally been shy of early adoption; for example—insurance?

Raskino:

The vendor must get someone involved who knows about insurance to embrace it. Overlooking this practice occurs all the time. The originator of the technology portrays it in a superficial or uninformed way and they miss the nuances, especially those around business process. Hence, the marketing story is superficial, or it lacks depth. If you address a vertical industry with a great idea, you need endorsement and involvement from a recognized industry expert who truly understands the problem set you're out to innovate around.

An example is RFID and baggage tracking. Most of the airlines have experimented with it but have been driven by experts who don't really understand the nuances of the airline industry—so they have repeatedly misrepresented the use case for RFID.

Fenn:

Vendors looking to market innovation to a slow-adopting industry are well advised to align their innovation to a very important business need—one that is at the heart of the industry's value proposition and is essential to the customer's business. When it comes to selling innovation to a traditionally slow adopter of new technology, you shouldn't focus on those processes that are peripheral and less important; and oddly enough, this is what vendors often do because they view it as the less risky path. But if you show an industry something that adds significant horsepower to the core of their value proposition, you can get over the industry's traditional slow adoption characteristic. However, you have to fill the four value gaps we spoke of earlier.

In one of your more dramatic stories, you cite the relationship between innovation and communication. For example, a Chinese physicist discovered the "first law of motion" 2,100 years earlier than Isaac Newton. Newton went on to rock the scientific world, but his Chinese counterpart had no impact. What can marketers learn from this story?

Fenn:

The biggest difference between these two inventors is highly environmental. Newton's thinking simply fell onto more fertile ground than his ancient Chinese counterpart's. The zeitgeist of his time was open to his ideas, and people were willing to take up the discussion. The lone voice of the Mo Ching effort 2,100 years earlier wasn't heard. If your idea can be aligned and communicated around the current zeitgeist, green IT for example, you can promote discussion and news around your idea by embracing the culture and recruiting some disciples.

With Web 2.0, for example, there's been a willingness to experiment with the role of community participation. That's put a number of vendors in a strong position to drive innovative ideas in social networking or crowdsourcing that would have been extremely hard to launch a few years back.

Do overzealous technology marketers ever unintentionally send their own products into the Trough of Disillusionment because they overinflate expectations?

Fenn:

If marketers don't understand how hype works, they can indeed over-communicate promises and push their idea into the Trough of Disillusionment deeper than it needs to go, which makes it that much more difficult to get the innovation onto the road of viability. Marketers should be candid about the challenges to early customers and let them know that if they aren't prepared for a certain level of risk, they probably aren't good candidates for early adoption. You need to avoid surprises. Vendors are far more likely to move through challenges with clients that are open to risk. Marketers, if educated about the value gaps, will know how to set and manage expectations about performance, integration, penetration and payback.

Raskino:

And you won't always have every challenge solved before you make the first sale. You won't get all your learnings until you've reached a certain critical mass.

Can you give us an example of what you call the double-peak Hype Cycle?

Fenn:

The double peak refers to a surge of activity that pushes an innovation up the slope in a particularly dramatic way.

The double peak is not so much a technological advancement, although some technical issues can be resolved, but more of a repackaging effort. For example, the price points might be adjusted to make it ready for that next big push.

Raskino:

An example is Bluetooth. In the late 1990s, there was a lot of noise about Bluetooth, then it went quiet. It re-emerged in 2003 with a big marketing push as an embedded mobile phone technology. Most consumers had no idea of the first round of hype.

What are some other important ways in which Hype Cycles play out—for example, the high flier and the lowlander.

Some innovations reach maturity but fail to attain their full potential. So perhaps the idea doesn't "solve world peace" as you originally thought, but it does indeed have value.

These lowlanders move beyond the Trough of Disillusionment and up the Slope of Enlightenment and onto a Plateau of Productivity, but end up in niche applications versus a more mainstream use. So their plateaus are lower than average even though they are mature. Expert systems, for example, went through a big peak and trough—and now rule-based systems are used in certain process areas, such as claims determination. TurboTax is also an example of a targeted expert system around taxes. But expert systems as a programming approach hasn't taken off, yet it's mature. Over time, its plateau may rise up.

In other cases, innovation really does live up to its initial expectations, as we see with high fliers such as the Internet. The Internet had very high expectations, and in many cases it has lived up to them. And we are still adapting new things to the Internet. For example, with Web 2.0 we are learning ways to embrace global communities, and there's a second wave of innovation occurring based on the Internet's base technologies. So some high-flying innovations that initially disappoint do rise back up to their initial expectations. It just takes longer than some people first thought.

For more information on *Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time*, [click here](#), or visit amazon.com.

Understanding the nature of hype can help business leaders manage innovation to their advantage.

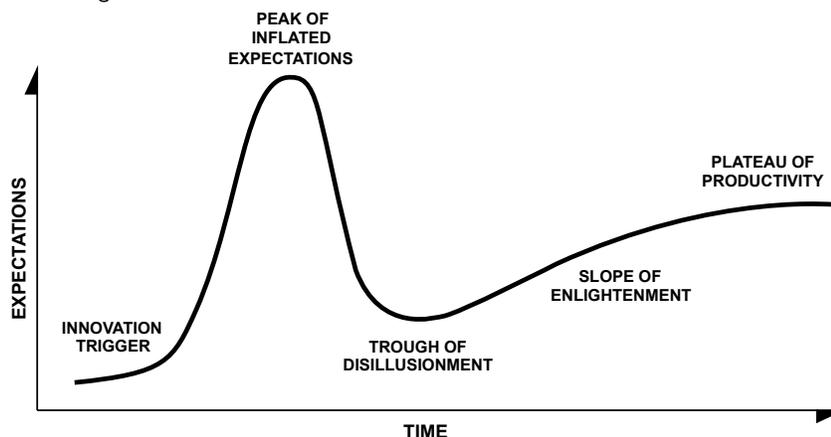


Figure 1: The Hype Cycle of Innovation

New product versions or marketing can launch an innovation into a second round of hype, driven by genuine progress and understanding that makes its rise and fall less dramatic than the initial peak.

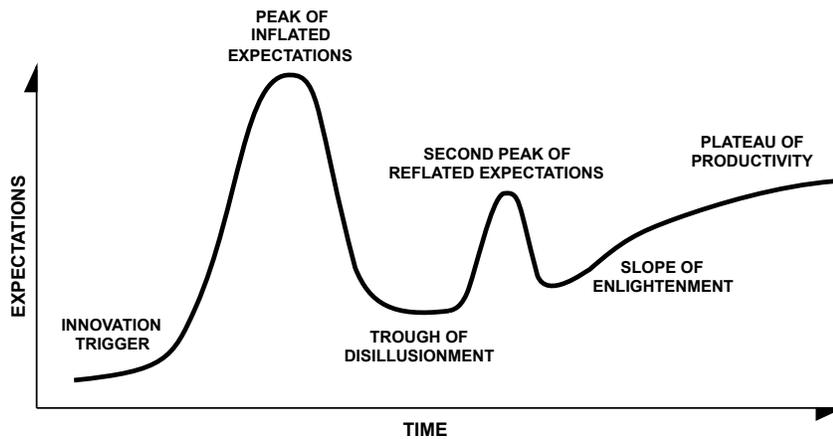


Figure 2: The Double-Peak Hype Cycle

Lowlanders function as intended and reach a certain level of adoption, but are still not reaching full potential.

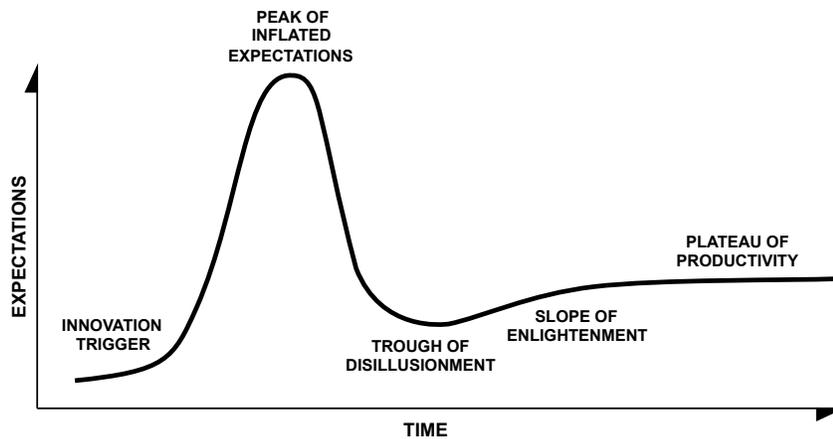


Figure 3: The Lowlander Hype Cycle

New to the Research Team

Julie Short

Research Director
Business of IT: Enterprise Architecture

Julie specializes in analyzing enterprise architecture as it pertains to program and project management, governance, risk and compliance, and infrastructure and operations. She has also led global ERP selection and implementation projects (Oracle and SAP). Prior to joining Gartner, she worked as a senior manager at Deloitte in enterprise risk services, as a VP at The Capital Group Companies and as a senior manager at Ernst & Young. She holds a bachelor's degree in CIS.

Jason Harris

Principal Research Analyst
IT Services: Marketing Strategies & Metrics

Jason is responsible for vendor analysis and modeling. As a senior research analyst at the Corporate Executive Board, Jason was responsible for syndicated research studies for an audience of Fortune 500 chief financial officers and strategy leaders. He covers many areas of IT including strategic planning, IT governance, business alignment, Sarbanes-Oxley, cost savings and business continuity planning. Jason holds a bachelor's degree in political science.

Eric Knipp

Senior Research Analyst
Application Development & Web Technologies

Eric analyzes Web and cloud application development methodologies and trends. Prior to joining Gartner, he worked as an architect, project leader and manager on various Web and enterprise IT software development projects, and held positions at the Federal Reserve Bank of Dallas and Unitrin. Eric holds a bachelor's degree in computer science.

Changes to the High-Tech & Telecom Programs Organization

We are pleased to announce a couple of organizational changes within the High-Tech & Telecom Programs team designed to better serve our high-tech and telecom clients.

Andrew Rosenblatt (VP Product Development), with whom many of you have worked as product manager on the Analyst Relations offering, will assume responsibilities for leading a range of initiatives for our product development team.

Andy has done a stellar job of listening to many of our Analyst Relations clients through AR Forum discussions, AR product development interviews and individual client meetings. Please expect to continue to hear from Andy as he works closely with



Michael Yoo
SVP, High-Tech &
Telecom Programs

our clients continuing to enhance our high-tech offerings for Analyst Relations as well as other high-tech client roles.

Taking up product management responsibilities for the Analyst Relations offering will be James Stanton (VP Product Management). James also leads our product management efforts for the Sales Professional and Strategic Advisory Services offerings. Many of you have worked with James in his prior role on our product marketing team, so as he travels out to meet with clients in the coming months, please join me in welcoming him to his new role. James is formulating new elements of his Analyst Relations product road map and is looking forward to your input.

Whether you are a client or prospect, you will continue to interact not only with Andy and James, but also with other product managers, product marketers and product developers from our High-Tech & Telecom team.

On behalf of the entire team, we look forward to serving you in 2009. If there are any questions or issues I can help you with, please feel free to contact me.