

<b>ASP</b>	<b>\$1M AR</b>	<b>\$10M AR</b>	<b>\$100M AR</b>
\$100	10,000	100,000	1,000,000
\$1,000	1,000	10,000	100,000
\$10,000	100	1,000	10,000
\$100,000	10	100	1,000
	<b>Innovators</b>	<b>Early Adopters</b>	<b>Main Street</b>

Table 4.1: It is sometimes helpful to view companies as falling into one of four broad categories, determined by the average selling price (ASP) of their product or service. In the table above, there are separate rows for an ASP of \$100, \$1,000, \$10,000 and \$100,000. As companies grow in revenue, they face a number of difficult transitions in their operations and in their marketing. The table above considers three stages: when a company's annual revenue (AR) is \$1M, \$10M and \$100M. The type of customers who buy new technology changes as the technology grows more mature and becomes more familiar. The terms innovators, early adopters, main street, and laggards were introduced in [92] to describe some of these different groups of customers. The middle columns in the table above show the number of units that must be sold each year to reach sales of \$1M, \$10M and \$100M.

and continuing on to the main street market of tens of thousands of customers.

As the table indicates, the target user for each row is different. In technology, individuals usually purchase items that cost a few hundred dollars; small offices or home offices (SOHO) usually purchase items that cost several thousand dollars; small companies or departments within larger companies usually purchase items that cost \$10,000, while larger companies (enterprises) usually purchase items that cost \$100,000.

Although each of the transitions from one column to the next is difficult and requires a different marketing strategy, the transition from the market of early adopters to the