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**PROTOTYPE**

## **It's Brand New, but Make It Sound Familiar**

By **MARY TRIPSAS**

GLANCE through a photo album of early automobiles and you'll find an eclectic assortment of vehicles, including three-wheeled machines and bicycle-like contraptions. You'd be hard-pressed to identify many as cars.

Early consumers were confused, too, until innovators finally converged on a carriage-like design and coined the term "horseless carriage" in the 1890s, giving a clear point of comparison. More than 100 years later, we can learn from their example.

Humans instinctively sort and classify things. It's how we make sense of a complex world.

So when companies develop innovative products and services that don't obviously fit into established categories, managers need to help people understand what comparison to make. Without that step, potential customers might just walk away wondering, "What is it?"

As a starting point, it helps to understand some basic traits of behavior. When people encounter something they don't recognize, they make sense of it by associating it with something familiar.

"What category you place something in has a huge influence on how you view its basic properties," says Arthur Markman, a professor of psychology at the [University of Texas](#) in Austin. "The category signals not only a set of features to expect, but at a more basic level, when and how you should use the novel item."

And depending upon what cues they are given, people will place the same item in different categories.

In management, these traits imply that companies can benefit by using comparisons to create expectations that best match an

innovation's strengths.

For instance, [Tap 'n Tap](#), a start-up based in Cambridge, Mass., has developed a touchscreen device that combines multiple household applications including communications (e-mail, chat), Web-based information access (weather, news), household management (family calendars) and entertainment (videos, e-books).

Javier Segovia, Tap 'n Tap's founder, says he doesn't want to emphasize the device's similarity to a laptop because he views his product as more convenient, intuitive and fun. A label like "a digital picture frame on steroids" might set expectations too low, he said. The closest analogy he could come up with was a mobile Internet device like a smartphone, but for the home. So he called it a "home Internet device."

Problems can arise if consumers can't place innovations into familiar categories. Consider the introduction of the [Segway](#), the high-tech motorized scooter, Professor Markman said. "Nobody was quite sure what it was," he said. "There was no clear analogy, so people had no idea how to use it."

Eric Fleming, Segway's marketing director, acknowledges that the company had problems positioning the product. "Our early model was called the i167," he said. "I worked here for two years and didn't know why that was. It had something to do with the battery. Our goal now is to help people figure out how this thing fits into their lives."

Segway has created separate models with labels like the i2 Commuter, i2 Cargo and x2 Golf, Mr. Fleming said, and has added a compatibility test to its Web site to help consumers understand what application best suits them.

The importance of linking an innovation to something familiar applies to services, too. The availability of very light jets prompted Bill Herp, an entrepreneur, to found [Linear Air](#), based at a regional airport near Boston. His company offers custom-scheduled flights that let people avoid the hassles of commercial travel for less than a larger business jet or charter would cost.

But "it's hard for people to understand what our service is about," Mr. Herp said. So he describes it as "Boston Coach with wings," after a local private car service. "This gets at the essence of what we do much more so than other labels like 'on-demand charters' or even 'air taxis,'" he said.

Boston Coach caters to business travelers, he said, and creates expectations of efficient, consistent and convenient travel.

Finding the right label is only one of the many ways organizations can influence the way consumers categorize a product. They can

also experiment with the product's shape, packaging, pricing and retail store placement.

[Lexar Media](#), a digital photography start-up founded in 1996, sold memory cards. It seems almost unbelievable today, but back then most cameras used film and people didn't understand how digital cameras worked. So Lexar Media used a variety of signals to persuade early adopters, especially professional photographers, to classify the memory cards that store pictures as similar to the silver halide film used in analog cameras.

Lexar Media's product was put in gold packaging similar to the color of [Kodak](#)'s film cartridges, given a speed rating to create an analogy to ISO ratings, labeled as "digital film" on the package and in advertising, and placed in the camera section of retail stores.

[Sony](#), by contrast, promoted a competing categorization, labeling its cards "Memory Stick" and advocating their use for many of the company's consumer electronics devices, including digital music players, handhelds and digital camcorders. Other companies also adopted this broader memory classification, so Lexar Media's success in establishing memory cards as analogous to film was short-lived, and the company stopped promoting the cards as digital film.

As innovative products are introduced, category boundaries are continually shifting and new categories emerging. In some ways, the auto industry is going through a transformation that harks back to the 1800s. Today's consumers are confronted with an impressive assortment of new vehicles, including electric models with three wheels and others with designs that just don't look like what we expect a car to look like.

Will [electric vehicles](#) be broadly accepted? And which models will be most popular? The answers may well depend on the associations that automakers try to imprint on consumers.

Carbon-free chariot, anyone?

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