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Use Gartner Hype Cycles to Guide Product Strategy and Roadmap Decisions

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Initiatives: Product/Service Discovery and Validation

Gartner Hype Cycles provide insight into the maturity, adoption and business impact of innovations. Product managers should leverage this high-impact resource to better develop and refine their product strategy.

Overview

Key Findings

- Technology and service providers find it challenging to track a wide range of continually emerging technologies and trends that may be relevant to their product strategy.
- Product managers must continually refine their customer segmentation in dynamic landscapes. This requires a timely understanding of how buyers evaluate innovations and what benefits they seek when adopting them, as well as customer adoption readiness.
- Deciding which innovations to add to a product (and when) can be among the toughest product management decisions to make, as trade-offs must be made against customer needs, competitive threats and market dynamics.

Recommendations

- Use innovation profiles to guide product investment by evaluating market penetration, early competitors and potential fit by product users.
- Improve buyer targeting with adoption readiness by understanding your product's current Hype Cycle position, the customer risk tolerance profile and business impact.
- Use Hype Cycle phases to plan a multiyear roadmap by adapting product strategies and mapping product offerings to Hype Cycle innovation positions.

One of the top challenges for product managers is understanding what new feature enhancements and innovations should be added to their product portfolio and when. The decision on what to add to the product roadmap is often based on market and customer readiness and the impact on customer experience.

Innovation that outpaces market demand will be disregarded by buyers, while innovation that trails market demand can leave product managers well behind market competition. In today's highly competitive technology markets, this understanding is critical to making the right product planning decisions.

Gartner publishes Hype Cycles for dozens of major technology markets. For a given technology market segment, a Hype Cycle curve plots several innovations within five phases to show how an innovation moves from hype to disillusionment and on to eventual productivity (see Figure 1 and Note 1 for a detailed description of a Hype Cycle).

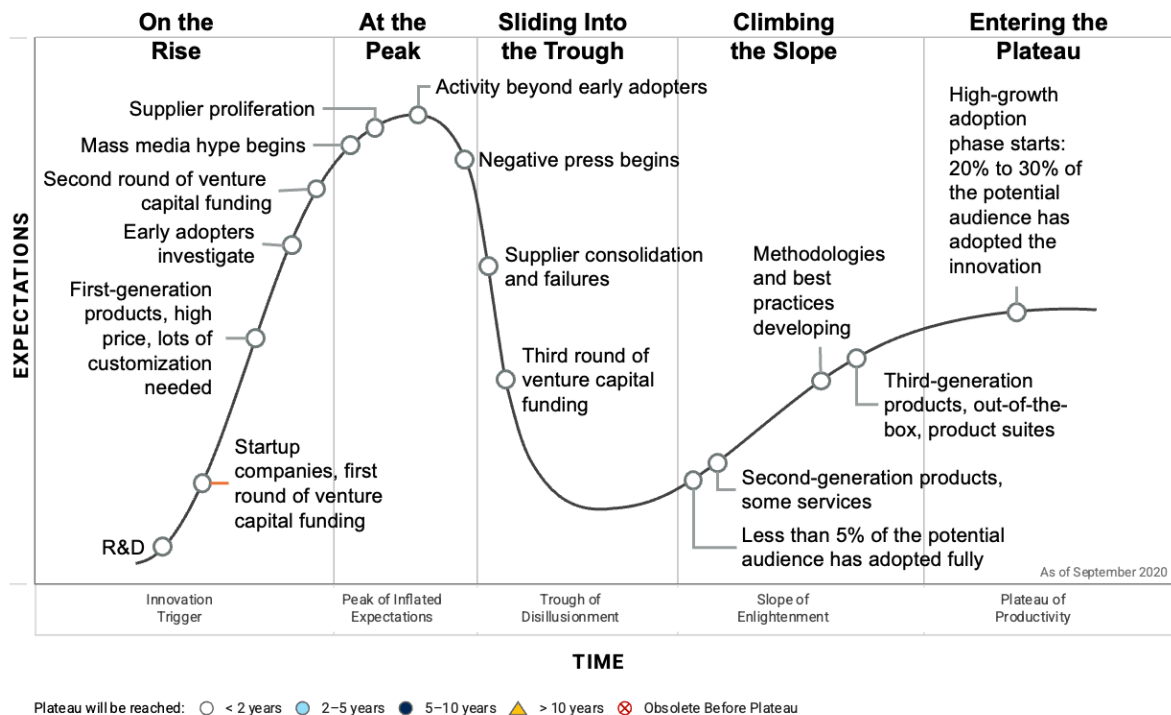
Hype Cycles focus on innovations (products, services or disciplines) in the early stages of market adoption — the period when innovators and early adopters explore opportunities to gain an advantage before mainstream adopters deploy the innovation.

The speed at which some innovations are moving to peak hype (e.g., generative AI) is catching many buyers and product managers off guard. The timing of innovation has a big impact on product success. From a product feature and improvement prioritization perspective, one of the top challenges for product managers is understanding what new feature enhancements and innovations to add to their product portfolio and when based on market conditions and customer readiness.

Product managers can use Gartner Hype Cycles to determine what innovations make the most sense to add to their product portfolio based on the customer type and market demand.

Figure 1: Phases of the Hype Cycle

Phases of the Hype Cycle



Source: Gartner

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The value of the Hype Cycle in guiding the product strategy is not just the graphic but also the attributes of the individual innovation entries – their benefit rating, market penetration and maturity.

Introduction

This document was revised on 24 July 2024. The document you are viewing is the corrected version. For more information, see the Corrections page on gartner.com.

Evaluate Innovation Market Penetration, Early Competitors and Advice Given to Buyers

Every innovation in a Hype Cycle includes an estimate of current market penetration for a profiled area, with values ranging from less than 1% to more than 50% of the target audience. These estimates help tech CEOs understand their position in the market and the opportunity that is before them.

For example, if a provider plans to introduce its own product based on an innovation that has already been adopted by 30% of the market, it may be too late. This is unless the provider has a very strong brand and can make substantial investments to gain ground quickly.

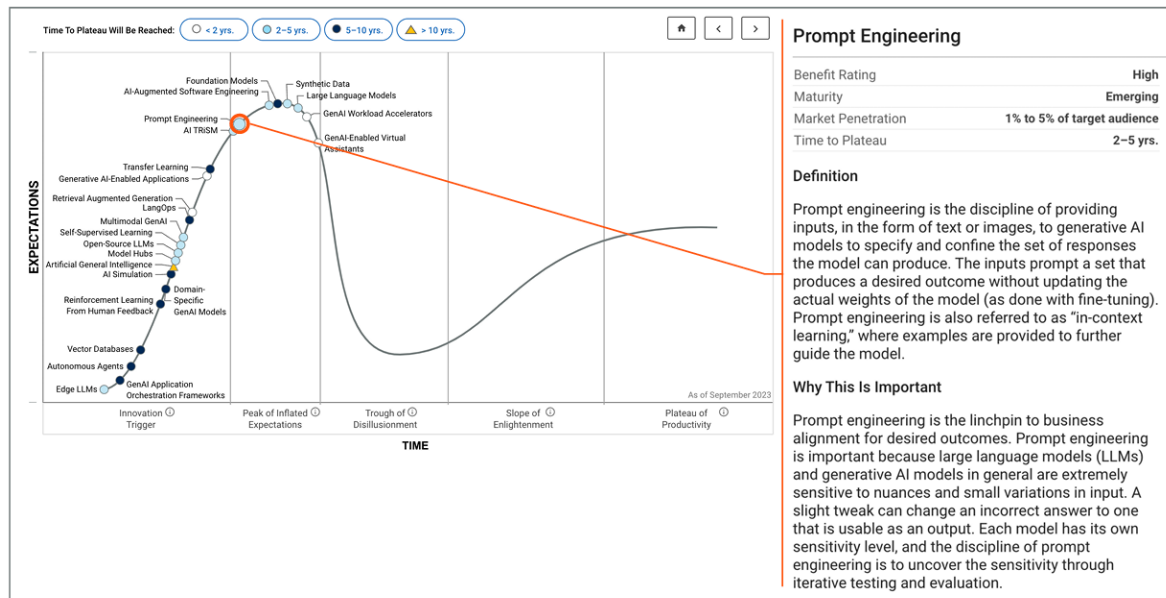
Alternatively, if market penetration is low (for example, between 1% and 5%), the entry, even if the provider is not first, could prove successful. Often, 20% is considered the appropriate target, depending on your client footprint and ability to bring your product to market quickly.

As innovations move to the late stages of the Hype Cycle, these market penetration estimates can guide ongoing investment. Despite all the hard work that has gone into getting to this point, now is not the time to rest. It is at this stage of the market where most adoption happens and competition intensifies, as providers fight for the masses. Therefore, providers should increase marketing and sales efforts and target mainstream buyers. Don't mistake the reduced level of market hype for reduced buyer interest. In fact, interest from most of the market remains high at this point because of the more realistic understanding of the innovation's actual value.

In addition to market penetration, each Hype Cycle innovation profile contains a description and associated attributes that advise buyers, including benefits rating, maturity, business impact, obstacles and time to plateau (see Figure 2).

Figure 2: Example Hype Cycle and Innovation Profile

Example Hype Cycle and Innovation Profile



Source: Gartner (February 2024)

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Gartner

Innovation profiles include a list of sample vendors that should be considered potential competition. Other important insights on these profiles include the following sections:

- **Why This Is Important** describes why, apart from the hype, the profile is on the Hype Cycle. It details how the innovation is superior (or not) to other old technologies/approaches and whether there are larger forces in the market that give this innovation prominence or relevancy right now.
- **Drivers and Business Impact** identify the business areas where the innovation can be applied and advantages to the user. These sections also discuss which roles and industry verticals will benefit from and be impacted by the innovation.
- **Obstacles and User Recommendations** explain the potential impediments and provide guidance to help buyers and users understand when and where to use the innovation. This information can also help inform sales enablement materials, such as battle cards for objection handling.

In addition to individually published Hype Cycles covering major technology markets, Gartner provides a tool that pulls more than 1,500 innovation profiles into a single spreadsheet. It lets product managers filter, search and sort these innovations and autopopulate a custom Hype Cycle with the selected innovation profiles (see Tool: Gartner's Hype Cycle Builder).

Improve Buyer Targeting With Adoption Readiness

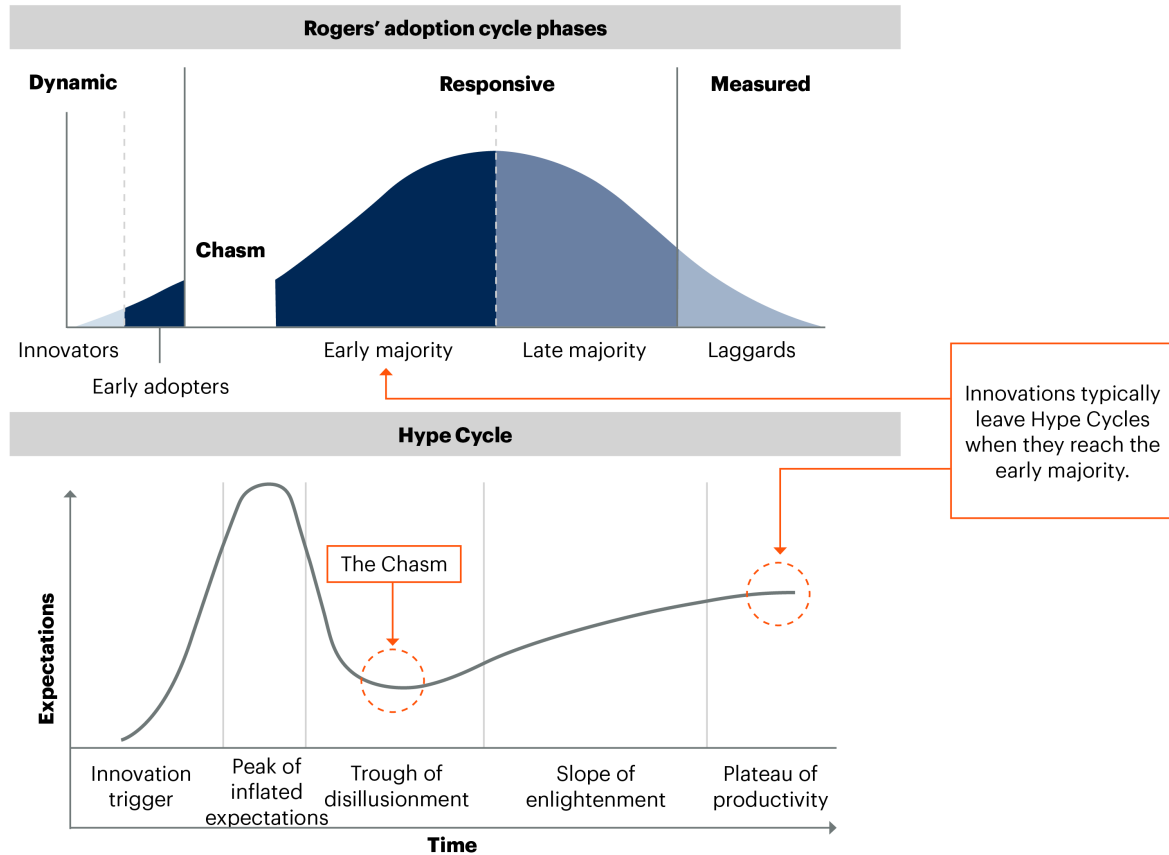
Hype Cycle innovation profiles provide details that can inform target market segmentation efforts and buyer readiness to adopt.

Market Maturity

The location of an innovation on the Hype Cycle provides insights to help set realistic expectations for customer interest and adoption. It does this by mapping the phases of the Hype Cycle to the market adoption model developed by Everett Rogers in his book "Diffusion of Innovations" and the extended model popularized by Geoffrey Moore that added "the Chasm." The mapping is straightforward (see Figure 3 and Note 1 for more detail).

Figure 3: Hype Cycle Placement, Innovation Placement and Customer Adoption

Hype Cycle Placement, Innovation Placement and Customer Adoption



Source: Gartner
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Gartner.

With this mapping, product managers can set realistic expectations for immediate product and market opportunities and strategies. For example, if your organization is launching a new product with an innovation that is on the Slope of Enlightenment, then you need to shape strategies for the early majority, not early adopters.

While it may appear to you that they are early in adopting the innovation because it is new to your product, the market is further along. Reviewing the year-over-year rate of change in the Hype Cycle entry provides useful timing information for when to anticipate progress through the adoption curve and the expanded opportunity that comes with it.

It is important to note that innovations typically leave a Hype Cycle once they have been adopted by most of the early majority. After that, an innovation is considered mainstream and typically no longer “hyped.” Figure 3 shows the mapping of the “Chasm” on both the Gartner Hype Cycle and Rogers’ adoption curve. Leaving a Hype Cycle should be viewed positively if your products have been successful, since significant growth occurs when the majority is ready to adopt.

Note that the same company may be an early adopter for one innovation and fall into the early majority for another. To deal with this, Gartner has developed a separate methodology to analyze buyer organizations on three dimensions: approach to strategic technology planning, control of the technology agenda and pace of change (see Enterprise Technology Adoption Profile Self-Assessment).

Priority and Business Impact

Each Hype Cycle has a Priority Matrix that evaluates the potential business impact of the innovation (see Figure 4). The impact is not on a technology or market (such as business intelligence, enterprise application or CRM) — it is the impact on the buyer’s own overall businesses (including IT).

Figure 4: Priority Matrix

Priority Matrix

Benefit	Years to Mainstream Adoption			
	Less Than 2 Years	2 to 5 Years	5 to 10 Years	More Than 10 Years
Transformational	Invest Aggressively If Not Already Adopted	"Measured" Adoption Profile	"Responsive" Adoption Profile	"Dynamic" Adoption Profile
High	"Measured" Adoption Profile	"Responsive" Adoption Profile	"Dynamic" Adoption Profile	Invest With Caution
Moderate	"Responsive" Adoption Profile	"Dynamic" Adoption Profile	Invest With Caution	Invest With Extreme Caution
Low	"Dynamic" Adoption Profile	Invest With Caution	Invest With Extreme Caution	Invest With Extreme Caution

Source: Gartner
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Innovations that are transformational or high impact present the most strategic opportunities for provider organizations and, as a result, often require more investment to capitalize on the opportunity. Moderate- to low-priority ratings may be important to ongoing operations and where buying teams are more likely to be led by a business unit leader or an IT manager.

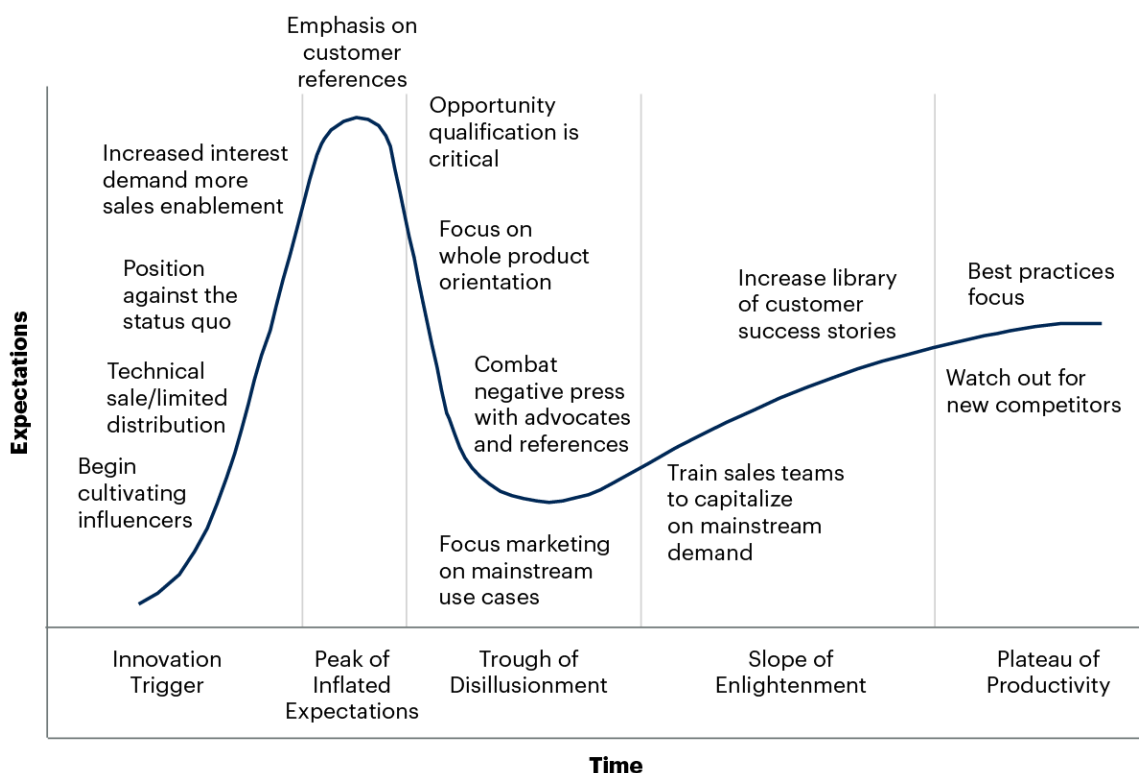
Product managers should use the Priority Matrix to compare the relative impact and timing of relevant (and adjacent) innovations. For example, a profiled technology or service that has a high or transformational impact may resonate louder with prospects. Ensuring that appropriate marketing and product leaders are aware can influence prioritization and messaging for specific offerings.

Adapt Multiyear Product and Go-to-Market Strategies With Hype Cycle Phases

The most visual element of Hype Cycles – the location on the curve – provides insights that can be used to shape marketing strategies and tactics. A summary of recommendations and considerations is shown on the graph in Figure 5.

Figure 5: Strategies and Tactics by Phase of the Hype Cycle

Strategies and Tactics by Phase of the Hype Cycle Illustrative



Source: Gartner
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For years, Gartner Hype Cycles have helped end-user organizations make smarter investment decisions about IT technologies, services and disciplines. Product managers can also use the same Hype Cycles to improve their market research and product planning.

However, simply incorporating or delivering new and potentially disruptive technologies does not — in and of itself — guarantee success or differentiation. The decision as to which innovations to add to a product (and when) needs to be made considering customer needs, competitive threats and market dynamics. Product managers should review all aspects of the Hype Cycle, including placement on the curve, time to reach the Plateau of Productivity, and priority and adoption estimates to fine-tune their product roadmap and strategy.

Evidence

J. Fenn and M. Raskino, “Mastering the Hype Cycle: How to Choose the Right Innovation at the Right Time,” Harvard Business School Press, 2008.

This research is based upon a wide variety of primary and secondary data sources, including inquiries with technology providers, published financials, personal observations and provider interviews. The positions outlined and opinions expressed were formulated over an extended period of time to ensure that scenarios were able to play out and hypotheses could be validated. All assumptions, conclusions and recommendations have been tested and refined in conjunction with members of Gartner’s research community. This is to ensure that they comprehensively and objectively describe the major and minor trends impacting today’s technology market, their impacts upon the provider community, and Gartner’s recommendations regarding how they should be addressed.

Note 1: Typical Correspondence Between Hype Cycle Profile Fields

Hype Cycle curves plot several innovations within five phases to show how an innovation moves from hype to disillusionment and on to eventual productivity. The x-axis represents the current location and stage of each innovation along the cycle. The y-axis represents the level of expectations and hype. Each Hype Cycle entry is represented by a different color or shaped circle that represents the anticipated time frame until that innovation reaches the Plateau of Productivity (mainstream market adoption).

Each innovation in a Hype Cycle has an innovation profile that assesses several important attributes (for example, benefit rating, market penetration, maturity and business impact areas) that help buying organizations identify, evaluate and — ultimately — select where to invest. Although each attribute provides a different insight, they also need to be considered in combination, as the relationship between them can be more telling than any one area by itself.

For example, a transformational innovation five to 10 years from mainstream adoption with a low penetration rate needs to be treated differently than an innovation less than two years from mainstream adoption with a low penetration rate. That’s because the latter may represent a strong opportunity.

Table 1 shows the typical correspondence between Hype Cycle profile fields.

Table 1: Typical Correspondence Between Hype Cycle Profile Fields

Hype Cycle Section	Maturity Level	Time to Plateau	Market Penetration as Percentage of Target Audience
On the Rise	Embryonic or Emerging	More than 10 years or five to 10 years	Less than 1% of target audience or 1% to 5% of target audience
At the Peak	Emerging or Adolescent	More than 10 years, five to 10 years or two to five years	1% to 5% of target audience or 5% to 20% of target audience
Sliding Into the Trough	Emerging or Adolescent	Five to 10 years, two to five years or less than two years	1% to 5% of target audience or 5% to 20% of target audience
Climbing the Slope	Adolescent or Early Mainstream	Two to five years or less than two years	5% to 20% of target audience or 20% to 50% of target audience
Entering the Plateau	Early Mainstream or Mature Mainstream (rarely used)	Less than two years	20% to 50% of target audience or more than 50% of target audience (rarely used)

Source: Gartner (June 2024)

Document Revision History

Use Gartner Hype Cycles to Guide Product Strategy and Planning for Product Managers
-13 July 2022

How Product Managers Can Use Gartner Hype Cycles to Guide Product Roadmap
Planning - 1 May 2020

Use Gartner Hype Cycles to Guide Technology Product Roadmap Planning - 15 October
2018

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Understanding Gartner's Hype Cycles

Tool: Gartner's Hype Cycle Builder

Enterprise Technology Adoption Profile Self-Assessment

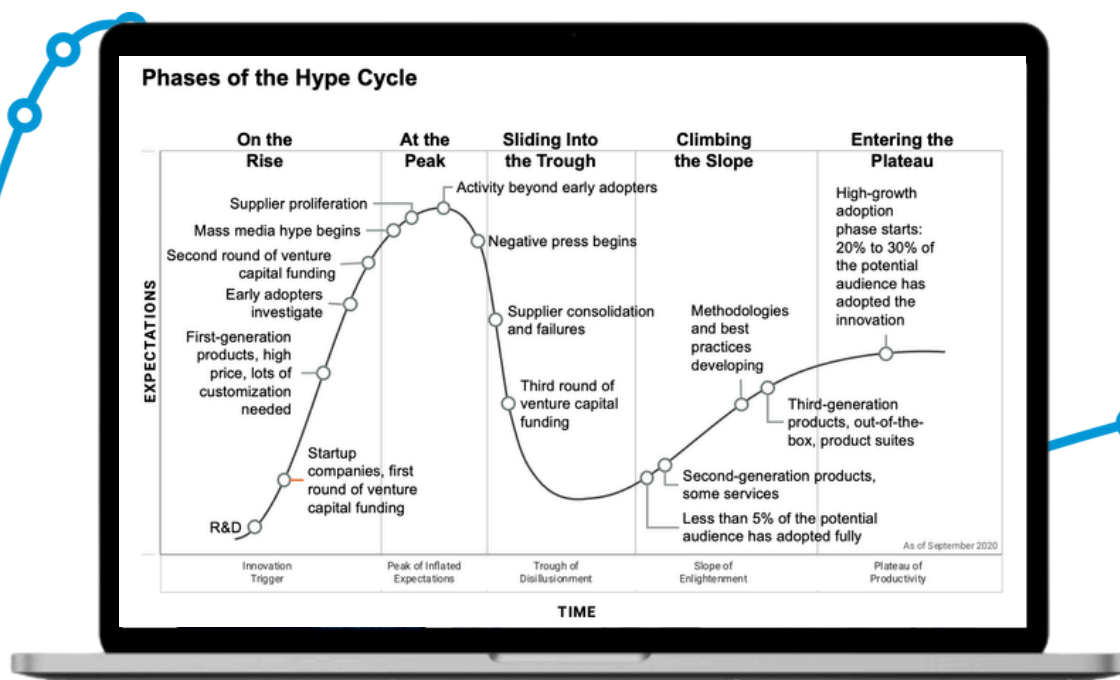
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Get access to Gartner Hype Cycles

Gartner Hype Cycles provide a graphic representation of the maturity and adoption of innovations and how they are potentially relevant for solving real business problems and exploiting new opportunities. Gartner Hype Cycles are developed by expert analysts according to a common methodology.

Product leaders can use Gartner Hype Cycles to:

- Determine what innovations to add to their product portfolio
- Inform target market segmentation efforts and buyer readiness to adopt
- Understand market penetration and maturity



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