

TABLE A-15

Case study: Segway

(Innovation failure summary)

Variable	Description
Innovation	A two-wheeled personal transportation device that used innovative technology to keep riders balanced and promised to shorten travel time for certain trip types, launched in December 2001
Radical or incremental	Radical
Category	Product
Sector	Transportation
Failure timing	Launch stage, failure in 2001
Failure root cause	<ul style="list-style-type: none"> No market demand • More expensive than a used car in fair condition (~\$5,000) • Lack of supporting environment, especially regarding urban infrastructure (Where to park? Charge? Use?) • It was banned in some countries because it was too fast for sidewalks but too slow for roadways
Failure root cause timing	Product development
Outcomes	<ul style="list-style-type: none"> • It was projected that 10,000 units would sell per week after launch; after 6 years, only 30,000 units had sold, less than 1% of projection
Business insight into the innovation process	<ul style="list-style-type: none"> • “Cool” technology alone does not lead to market acceptance; products need to address consumer needs • Products that make use of public infrastructure (e.g., transportation equipment) cannot be developed without attention to how it works with the enabling environment
Pivot	<ul style="list-style-type: none"> • Limited enterprise demand for police departments, tour groups, warehouse workers, mall security guards, airport maintenance staff
Pivot enabler	<ul style="list-style-type: none"> • Enterprises have constrained environments that enable the deployment of supporting infrastructure on a smaller, more achievable scale (e.g., in a warehouse or a shopping mall)

Source(s):

National Center for Science and Engineering Statistics and SRI International, special research (2020) of 2010–20 open-access articles, including *MIT Technology Review*, *New York Times*, *Fast Company*, U.S. General Accountability Office, and *Defense News*.