

TABLE A-6

**Case study: DVD-Audio**

(Innovation failure summary)

Variable	Description
Innovation	Digital audio format for use with DVD media, developed by the DVD Forum (led by Sony and other electronics and media companies), launched in summer 2000
Radical or incremental	Incremental
Category	Product
Sector	Consumer electronics
Failure timing	Launch stage, failure within first 12 months (continued to be produced until 2007 despite virtually zero market penetration)
Failure root cause	No market demand <ul style="list-style-type: none"> <li>• Developers did not test their assumption that enhanced sampling rates and bit depth (bits-per-sample) would translate to better listener experience</li> <li>• Developers did not foresee changing consumer preference for mobility in music listening (Apple iPod released 2001)</li> </ul>
Failure root cause timing	Product development
Outcomes	<ul style="list-style-type: none"> <li>• Format never caught on with consumers and is now virtually dead</li> <li>• As of June 2019, Amazon listed only 155 audio titles in DVD-Audio format</li> </ul>
Business insight into the innovation process	<ul style="list-style-type: none"> <li>• Consumer demand for new product features always needs to be tested</li> <li>• Better consumer testing during the development phase would likely have revealed lack of demand</li> </ul>
Pivot	na
Pivot enabler	na

na = not applicable.

**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*.