

Theory 9

Yesterday we ended with how to attract users prior to reaching critical mass?

It depends on which kind of customers you want to attract, who you want? Usually when we launch a new technology, at the beginning you will have a small customers base who interested in that area.

Evolution vs Revolution

Performance will be improved with increasing customer switching costs or vice-versa.

Evolution strategy offer to consumers an easy migration path. We are two Rishes to manager which are technical and legal. In technical area, we need to develop a technology that is at the same time compatible with, and yet superior to, existing products.

Revolution strategy offers a product so much better than what we are using right now. It is inherently risky.

Open vs Control

The underlying idea of openness is to forsake control over the technology to get the bandwagon rolling. Control means companies are strong enough to unilaterally control product standards and interfaces have lot of power.

Standards open the opportunities to compatibility. Open standards is developed by multiple actors. Closed standards is what company try to control all of market.

When the costs of switching from one technology to another are substantial, users face lock-in. There are different types of Lock-In, connecting with different switching costs.

Decisions I&E Basics

Discussion part: Decisions and rationality models: Why we consider them and how does this related to I&E? Make some examples of decisions and analysis how did you make them. How do we make decisions in certainty? How do we make decisions in risk? How do we make decisions in uncertainty?

Olympic decision making - certainty: everything is known and necessary. deliberation is instantaneous and quell for all actors. The reflections is we only have a choice.

Olympic decision making - risk: probabilities are known. Optimal strategies are instantaneously deliberated upon. The options are not equal. There is no global optimum. It goes with given preferences, goals, actions and consequences with probability.

Uncertainty: from consequences which might prompt us to redefine we can get aspiration levels.

Retrospective decision making - ambiguity: act first and justify later.