CS class 16a assignment

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Q1. Recalling our discussion on "value"; how does the Hatsune Miku Platform generate value?

Hatsune Miku Platform uses the "creation, re-creation and co-creation" notion of value. It means that Hatsune Miku Platform has its own ecosystem where people both professional and amateur can creatively make new sorts of content on top of one another. They together benefit from the work of each other. One creates the music and lyrics. The other creates animation. The other creates the figures and so on. They collectively build their own network of generating values. They are both producers and consumers at the same time.

Hatsune Miku Platform shows the efficiency of "network effect" where people who already love the Hatsune Miku virtual idol either from its software or other contents such as music psychologically lead other people to follow Hatsune Miku as well. This not only creates a new fan base, but also gives them incentives to be the secondary creators such as illustrators, animators or lyricists. As a result, it brings monetarily value to further expand the ecosystem of both creators and consumers. Consequently, this well reflects the focus of the interactions between producers and consumers on the platform. This is how the exchanges of value in its ecosystem work.

Q2. How is this different from how the other firms we have studied generate value?

Most firms we have studied so far generate value through conventional way which is pipeline. They mainly rely on physical infrastructure and assets. They produce just like most other industrial companies would do, which is to input the resource at the entry and then produce the outcome at the other end of the pipeline. Their goal is to "maximize the lifetime value of individual customers" in a linear process. They generate value through costs incurred by suppliers, industry participants, and value captured by customers.

Hatsune Miku Platform, conversely, uses a different approach. "They seek to maximize the total value of an expanding ecosystem in a circular, iterative, feedback-driven process". It obviously transfers and jumps to each other in many directions. Thus, the value created is mainly contributed by both consumers, producers and providers.