

Assignment: Teaching case Chapter 7

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1 Why did the consumer electronic giants invest so much in developing audio technology that exceeded the hearing capacity of humans?

These giants pursue advances in audio technology to stay competitive and drive market growth, even though these advancements transcend human hearing capabilities. This focus ignores emerging consumer preferences for portability and choice, highlighted by the success of MP3 technology.

2 Can you think of other companies or industries that are currently investing in technology dimensions where the utility payoff of improving the technology has flattened?

Industries such as smartphones or HDTVs may invest in enhanced functionality while additional improvements create diminishing returns for consumers.

3 Can you come up with an example of a firm that would likely weight “importance to customers” much higher than “ease of improvement” ? Can you come up with an example of a firm that would likely weight “ease of improvement” much higher than “importance to customers” ?

- Importance to Customers > Ease of Improvement: A healthcare device company, focusing on accuracy and reliability of medical devices, values customer trust and safety over ease of development.
- Ease of Improvement > Importance to Customers: A tech company specializing in software updates may prioritize incremental, easily deployable enhancements that keep the product

current, even if these updates offer minimal benefit to the end-user.