

Q1 Zoom has allowed us to work “wherever there is wifi”, and enabled users all over the world to chat, call, and video chat with each other for free (or for very low fees). Please answer the following questions in relation to the case study above:

Q1.1 [6 marks] Apply the Disruptive Innovation Framework on Zoom and discuss the type of disruption it adopted with supporting evidence for your response.

Low end disruption: Zoom can be considered a low-end disruption. With its great performance in terms of ease of use, smooth video and cost effective, it entered the low end of the market and attracted both individuals and small/medium sized businesses. Individuals and small/medium sized businesses were overserved with the incumbents’ offerings by that time such as Microsoft skype and cisco webex. Existing products offered more performance than many customers want or need with higher prices. Zoom with its performance and ease of use that meet the needs of the overserved customers reached to the mainstream of the market and disrupted the incumbents.

You may have this argument (considered right answer):

New Market disruption: Zoom can be considered a new market disruption. With its great performance in terms of ease of use, smooth video and cost effective tuned non-consumer to consumer of Zoom, the pandemic helped in triggering this new market disruption, in which remote working and virtual meetings have become the norm of many companies. Thus, zoom attracted a massive number of global customers who were new and non-consumer to video conferencing, by offering free and paid video. Zoom was able to capture greater market share overtime and caused disruption to the incumbents by attracting the customers from the mainstream as well.

Q1.2 [5 marks] Zoom is a video calling platform using VoIP technology. Think about the product category that Zoom falls under, and discuss if they have a dominant design (if yes, describe the architecture, and if not, describe the existing competing architectures).

It belongs to video calling platform product category.

This product category passed the era of ferment phase where there were design competitions and settled into a dominant design.

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Most products that fall under this product category such as Google, Microsoft, and Cisco are following the same architecture which include Meetings and Chat. HD video, audio, collaboration & chat. Rooms and Workspaces. Power up your conference rooms with video. Phone System. Enterprise cloud phone system.

The product category is now in the era of incremental innovation as companies are enhancing their product in terms of product, process, or market innovation.

Q1.4 [4 marks] Use the concept of innovation dilemma and discuss why incumbents got disrupted by Zoom, and why aren’t they at the forefront of disruptive innovation?

Because incumbents were busy with sustaining innovation, enhancing their products (adding more features, functionalities and enhancing the performance) to meet the need of the customer in the high end of the market as they are more profitable market. By doing so, they ignored the low-end of the market who were overserved by their offering or the unserved customers whose need were not being met by any of the offerings in the market. Zoom entered the market by targeting these overlooked segments of the market and reached the mainstream and caused a disruption. Incumbents didn’t dedicated resources to small and

unproven offerings and ignored the disruptors and stayed on focusing on the more profitable market and by doing so they got disrupted.