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CSC 300

Homework 2

During the beginning stages of startups there exists a strong need for growth and innovation, which can sometimes lead to decisions that can be questioned from an ethical perspective.

One example of an idea that raised some ethical questions is from Airbnb. While they were starting off, they had more demand for houses than they had available. To solve this, they turned to Craigslist and searched for homes that were for rent. They contacted the owners of the homes and asked them to list them on Airbnb. Overnight, they gained thousands of new users, which was obviously very beneficial for the company. However, were they crossing an ethical line by “stealing” Craigslist users? The good news for Airbnb is that there is no reason why someone can’t have their home listed on both sites. Additionally, Airbnb is exclusively for renting homes whereas Craigslist is an online marketplace for a large number of other goods besides just houses. Therefore, although they were using another platforms success to benefit their own, they were not doing anything against the law and were not blatantly stealing from a *direct* competitor.

A second example of a strong idea for business that could have ethical implications was with Dropbox. While they were designing their product, they realized that syncing files in the cloud presented a complicated technical challenge. Furthermore, they were worried that people may not even be interested in their product. Therefore, they did not want to spend a countless amount of time and energy solving a problem that may not even be useful and profitable. Therefore, CEO Drew Houston made a video that explained what the product did and asked people if they wanted to sign up for the beta product. The video was extremely successful and by morning their waitlist for the product was 15 times what it had been previously. This was a very smart business practice, as it ensured that they had a customer base before investing time and resources into the production. However, it can be questioned ethically, as what if they were not successful and the product was not all that was promised? Then they have led almost 100,000 people on and failed to fulfil expectations. Furthermore, what if they didn’t get the response they wanted? Then would they have to tell the people that had already invested in the product that the product actually didn’t exist and was not going to exist? Obviously, there is no ethical issue with Dropbox as they not only got the response they wanted but were able to deliver on their promises. If everything didn’t go to plan though, this may be a very different conversation.

IT startup culture is usually focused on how to grow the business and make profits, which is why sometimes ethical considerations are overlooked or intentionally ignored.

<https://www.inc.com/rohini-venkatraman/these-3-founders-broke-the-rules-ethically-and-saw.html>