Exam 1 – Student exam1_student1

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Question 1:

"Here in - we will mostly start start -ups (or emerging companies) and already consolidated entities, which will use well -known innovation models based on projects."

Answer:

This statement highlights that both new startups and established firms tend to rely on familiar, project-based innovation frameworks rather than reinventing their processes. By leveraging tried-and-tested models, organizations can reduce uncertainty and accelerate time-to-market for new ideas. However, it may also limit breakthrough innovations if everyone follows the same playbook. A balanced approach might combine established methods with selective experimentation to foster truly novel solutions.

Question 2:

"Furthermore, the relevance of these enhanced capabilities makes it easier for such products to leverage and benefit from other networks."

Answer:

The author argues that as products develop stronger features—often driven by data and AI—they can more readily tap into adjacent networks and ecosystems. Enhanced capabilities attract new users and partners, creating indirect network effects that amplify growth. For example, a platform with superior recommendation algorithms can integrate with third-party services like payment providers or social media for further reach. This synergy accelerates value capture and strengthens competitive advantage.

Question 3:

"Furthermore, indirect network effects can incentivize the addition of complementary products or services (Church & Gandal, 1992; Church et al., 2008; Katz & Shapiro, 1992; Rochet & Tirole, 2003, 2006; Schilling, 2002)."

Answer:

Here the text describes how the growth of one user group—such as end users—creates incentives for another group, like developers or advertisers, to join the platform. This two-sided dynamic flourishes when complements enhance the core offering, as seen in app stores attracting developers due to a large user base. The availability of add-ons or services further elevates platform value, creating a virtuous cycle of adoption. Firms that cultivate rich ecosystems thus secure sustainable network effects.

Question 4:

"In its virtual format today has great importance to the point that some risk in - cluso life to increase their virtual reputation."

Answer:

This somewhat fragmented sentence appears to emphasize how online presence now carries such weight that individuals and organizations take reputational risks to boost their visibility. In practice, this can drive aggressive content strategies or gamified interactions aimed at maximizing likes and shares. However, over-optimization for virtual reputation may lead to ethical lapses or reduced authenticity. Effective digital strategy must balance engagement tactics with credibility and trust.

Question 5:

"Something similar happened with bank employees dedicated to counting tickets in the box: they ended up transforming financial and commercial advisors."

Answer:

The analogy suggests that mundane, repetitive roles—like counting transaction tickets—are automated, enabling employees to pivot to higher-value advisory positions. As technology handles routine tasks, human workers can focus on nuanced financial analysis and client relationships. This transition exemplifies digital augmentation, where technology raises the productivity frontier by shifting labor toward creative and strategic work. Organizations that manage this shift effectively gain both efficiency and employee satisfaction.

Question 6:

"Of course, it would be great to know - but we cannot, all the predictions that I heard, and based on which we will anticipate a great impact of a technology, are vain speculation."

Answer:

The author cautions against relying on overly optimistic forecasts about emerging technologies, noting that many predictions ultimately prove unfounded. This “hype cycle” effect can lead firms to invest prematurely or chase unrealistic goals. Instead, decision-makers should combine cautious experimentation with data-driven performance metrics. By grounding strategy in measured pilot programs rather than speculation, organizations can adapt more effectively as true technological value emerges.

Question 7:

"The maximum exponent of this position would be monopoly or oligopoly, where it is the organization - and not the market - who controls the strategy, chooses price and offer."

Answer:

Here the text explains that only in extreme market structures—monopolies or oligopolies—does a single firm or small group dictate terms rather than competitive forces. When network effects and high barriers to entry coalesce, incumbents can set price and product scope unilaterally. While this yields supra-normal profits, it also attracts regulatory scrutiny and incentivizes disruptive entrants. Balanced strategy harnesses network effects but remains mindful of antitrust risk.

Question 8:

"Forbes, https://www.forbes.com/sites/esade/2019/01/10/from-competing-on-analytics-to-companies-as-code/ Barro, S., & Davenport, T."

Answer:

This citation points to the idea of "companies as code," where analytics and algorithms fundamentally drive decision-making. The Forbes article and Barro & Davenport research argue that digital artifacts—data models and software—become the organizational core, not just support tools. Firms that re-architect around code can achieve greater agility and scale. This shift requires cultural and structural changes to embrace data-centric workflows as the primary value driver.

Question 9:

"The new tools capable of improving texts and images with the generative the future appear to a future where the amplification will reach unimaginable levels."

Answer:

This forward-looking statement predicts that generative AI—enhancing both text and imagery—will dramatically magnify network effects and content proliferation. As tools become more intuitive and powerful, user engagement can spike exponentially, creating viral amplification loops. But such rapid growth also risks oversaturation and algorithmic bias. Companies must therefore couple generative capabilities with robust governance to ensure quality, fairness, and long-term trust.

Question 10:

"This model and its variants operate on four stages: a trigger, an action (like posting), a variable reward (likes or reposts), and an investment (time spent and reputation maintenance)."

Answer:

This describes the “Hook Model” of habit formation, where users are prompted (trigger), take an explicit step (action), receive unpredictable positive feedback (variable reward), and invest further (investment). Applied to social platforms, this cycle fosters deep engagement by conditioning users to return. Designers can leverage this pattern to build stickiness, but ethical considerations arise around potential addictiveness. Responsible product strategy balances engagement mechanics with user well-being.