

=== exam3_student4.txt ===

MSc Business Analytics – Exam 3

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Instructions:

Answer ALL questions. Use clear analytical reasoning, cite frameworks where relevant (e.g., network-effects taxonomy, AI adoption S-curve). Time allowed: 120 min.

Question 21:

Answer:

Most businesses face intensely local competition because proximity confers trust, faster delivery, and cultural fit. Even global platforms often partner with local providers or customize UX to address regional preferences. This underscores the importance of glocalization strategies—adapting global offerings for local markets—so that network effects can materialize fully. Ignoring local dynamics risks misaligned product–market fit.

Question 22:

Answer:

In non-digital sectors, physical constraints—inventory, labor, logistics—dominate operations and limit instantaneous scale. For example, manufacturing plants cannot scale overnight without capital investment, unlike cloud services. Understanding this “analogue” world helps prioritize digitization efforts where they yield the greatest impact on efficiency and data generation.

Question 23:

Answer:

When decisions stay in human hands, technology reduces the marginal cost of support tasks—data entry, basic analysis—without fully automating judgment calls. BI dashboards

automate data collection, but managers interpret insights and make strategic moves. This hybrid approach leverages technology for efficiency while preserving human contextual understanding and accountability.

Question 24:

Answer:

Network effects revolve around creating and sustaining connections. Direct effects grow linearly as users interact (e.g., messaging), while indirect effects emerge when third-party complements flourish (e.g., app stores). Platforms maximize value by balancing investment in core features and ecosystem support. Recognizing both ensures robust, multi-layered engagement strategies.

Question 25:

Answer:

Surpassing the augmentation-automation barrier means systems handle end-to-end workflows autonomously, leaving humans only as overseers. In invoicing, simple digitization first augmented clerks; later, bots managed entire approval chains. Achieving full automation yields step-change cost savings and frees human resources for higher-value tasks.

Question 26:

Answer:

Before browsers were preinstalled, onboarding users required physical media and installation know-how, leading to significant friction. This “bootstrap paradox” delayed network effects until friction fell. Today’s zero-click installs via app stores or default OS apps prevent such choke points, enabling rapid user acquisition and scale.

Question 27:

Answer:

Our narrative simplifies multi-dimensional strategic challenges into linear examples. Real business environments involve regulatory shifts, stakeholder politics, and systemic risks that our story omits. While simplifications aid learning, robust analyses must incorporate complexity to guide sound strategy and risk management.

Question 28:

Answer:

Offering free tiers subsidized by ads attracts mass usage, while paid professional tiers ensure sustainable revenue. This two-sided model aligns incentives: consumer scale enriches ad value, while enterprise fees fund platform maintenance. Understanding such monetization structures is essential for designing resilient digital ecosystems.

Question 29:

Answer:

Companies that double-down on AI compete on intellectual capital—data richness, model sophistication, and agility—rather than conventional cost or distribution advantages. This “AI-first” strategy transforms technology into a strategic moat, as seen with autonomous vehicle firms where sensor data and model accuracy become decisive factors. AI prowess thus evolves into the primary competitive frontier.

Question 30:

Answer:

Using “car” as shorthand abstracts thousands of individual components—engine, chassis, electronics—into a cohesive concept. This macro view facilitates procurement, design, and regulation without getting bogged down in minutiae. In analytics, composite metrics perform a similar function by summarizing complex data into digestible KPIs. Abstraction bridges complexity and usability.