

“Disruption” as Business Model

Pro-Disruption - Amaryllis

<https://github.com/stuycs-gh-classrooms/ethics-work-amaryllis-sun>

[Columbia Business School](#) - “Business disruption happens when an existing industry faces a challenger that offers far greater value to the customer in a way that existing firms cannot compete with directly”

Was heavily inspired by Clayton Christensen’s *The Innovator’s Dilemma*

- Some people claim that because he was a Harvard Business School professor, people blindly follow what he says

Examples of “Disruptive” Companies:

- Uber
- Airbnb
- Amazon
- Tesla
- Spotify

Pros:

- Can force innovation to occur
 - E.g. “Spotify Wrapped” influenced the same practice in other digital companies like Apple Music, Depop, and Netflix
 - Makes it more profitable for these companies since consumers like seeing it
- Lowers prices and makes the product more accessible to the general public (at least temporarily)
- Influences how the competing companies operate, advancing the field as a whole
- Typically increases the prioritization of the customer over profits

Counterclaims:

- So much disruption can “[blow up](#)” an industry and lead to more harm rather than benefit
 - [Response](#): “Successful disruptors might break old models, but they build better ones that benefit us all, which is why we embrace, rather than fear them.”

Anti-Disruption - Hyeongyu

1. <https://www.indeed.com/career-advice/career-development/disruptive-technology>
2. <https://www.gigcmo.com/business-disruption-examples-and-key-takeaways>
3. <https://www.imd.org/blog/innovation/what-is-disruptive-innovation/>
4. <https://ilsr.org/articles/fact-sheet-how-breaking-up-amazon-can-empower-small-business/>
5. <https://www.cascade.app/studies/uber-strategy-study>
6. <https://nanoglobals.com/startup-failure-rate-myths-origin/>
7. <https://www.forbes.com/sites/glenngow/2024/01/28/revealing-the-dark-side-the-top-6-problems-with-chatgpt-and-generative-ai-in-2024/>

Problems with disruption

- Unrefined products -1
- Unpredictability -2
- Competition -2
-

Problems with using disruption

- No credit -> takes time -1
- Risky - 1

Examples of disruption

- Personal computers
- uber/lyft
- Video / music streaming
- GPS
- Ecommerce
- AI

Disruption, the radical change to an existing industry or market due to technological innovation, has become very common in today's economic world. With increasing access to computing power, technology adoption and information sharing, disruption has become easier and therefore more common. Although disruption is a very attractive business model, it still has some very large flaws.

For example, disruption leads to a lot of unpredictability. The appearance of innovative technology messes with the predictions of economists, business owners, and leaders all over the world.

Another issue with disruption is its competitive nature. There have been many examples of how disruptive businesses have grown so large and removed all of their competition. Some of these businesses are Amazon, Uber, and Netflix. Each one of these businesses have changed how billions of people consume in their respective niches. Disruptive technology such as smartphones, AI, and GPS, have changed the world very quickly.

But one of the biggest issues with disruption is its ability to grow unrefined products.

Points

- Unpredictability
 - Hard to predict success of product - 2
 - Risk from lack of credit which leads to time - 1
- Competition
 - Successful disruption disrupts the whole market and may knock some opponents off
 - Amazon, Uber, Netflix - 4 , 5
- Unrefined products
 - Products that might not have been refined may grow very large
 - New technology is usually unrefined