

NYU Stern School of Business
Department of Information, Operations & Management Sciences
INFORMATION SYSTEMS RESEARCH SEMINAR

TOPIC: Companies vs. ‘Crowds’ on the AppStore: Competition, Innovation and Experimentation in Markets with Low Innovation Costs and Creative Work

SPEAKER: Kevin Boudreau (Harvard Business School)

DATE: Thursday, September 17th, 2015

TIME: 12:30PM-1:45PM *Lunch will be served at 12:15pm.

PLACE: KMC 3-130

ABSTRACT

Online marketplaces like Youtube and the AppStore see amateur tinkerers, hobbyists, and hackers competing and innovating alongside professionals and traditional enterprises. Analysis of fine-grained data on the AppStore in this article suggests that underlying processes of innovation and competition precisely conform to a canonical model of endogenous competition and innovation simply adapted to allow for (i) exceptionally low fixed development costs, and (ii) nonpecuniary rewards to developers. A fat tail of low-productivity developers with high nonpecuniary motivations invests relatively little, but directs attention to novel experimentation; a smaller group of high productivity developers chooses to make higher investments, but focuses on ongoing improvements in established areas. I discuss implications for managing such marketplaces.

BIO

Dr. Kevin J. Boudreau is an Assistant Professor of Strategy at London Business School and Visiting Assistant Professor of Strategy at Harvard Business School. Dr. Boudreau has designed and written a series of studies to better understand a new generation of 'business models' enabled by platforms and digital technologies. These studies cover a range of approaches to organizing platforms: multi-sided markets, collaborative team environments, contests and crowdsourcing, crowdfunding, open source, “apps” platforms, crowds and open science, and online communities and 'co-development'. His research is geared to understanding underlying mechanisms shaping productivity on platforms--and precisely how can be influenced by platform design. Apart from these theoretical aspects, Dr. Boudreau's research is also distinguished by its advancing theory via large scale econometric research and field experimental designs. More info on can be found on his [personal website](#).