Axiom 9

Recommended Citation

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axiom 1 - metcalf's law

axiom 2 - early entrants win the field

axiom 3 - significance precedes momentum

axiom 4 - standards as power

axiom 5 - producer and consumer utility

axiom 6 - gatekeepers, intermediaries, and the attention deficit

axiom 7 - positive feedback loops

axiom 8 - differentiation of products and pricing

axiom 9 - switching costs and lock-in

axiom 10 - free information: cooperation in a competitive environment

bibliography

Axiom 9 - Switching Costs and Lock-in

Small consumer switching costs can constitute large barriers to entry, especially for mass-market products (Shapiro and Varian, 109).

The total cost of switching = costs the customer bears + costs the new supplier bears (Shapiro and Varian, 112).

When the costs of switching from one brand of technology to another are substantial, users face lock-in (Shapiro and Varian, 112).

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