THE HONG KONG POLYTECHNIC UNIVERSITY
DEPARTMENT OF MANAGEMENT & MARKETING

DEPARTMENTAL RESEARCH SEMINAR

“Optimal Response to a Next Generation New Product Introduction: To Imitate or to Leapfrog?”

By

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Date: Tuesday, 12 Jun 2007
Time: 3:00 p.m. - 4:30 p.m.
Venue: M802

All interested are welcome
Optimal Response to a Next Generation New Product Introduction: To Imitate or to Leapfrog?

Ben S. Liu
(with D. Sudharshan & Brian T. Ratchford)

Agenda
• I. MOTIVATION
• II. THE MODEL
• III. MODEL ANALYSIS RESULTS
• IV. DISCUSSIONS

DISCUSSIONS
• Answers to
  – (1) How should the follower respond to the leader’s technological advancement? When and to which technology level?
  – (2) What are optimal strategies for the leader with perfect foresight?

Four Extensions
1. Longer time horizon and more than three technology levels,
2. Customers choose the closest technology level,
3. Model with (profits, cost) discounting,
4. Model with w-o-m effect,

The results remain the same qualitatively.