Abstract

To attract complementary assets, firms that sponsor proprietary de facto compatibility standards must trade off control of the standard against the imperative for adoption. For example, Microsoft and Intel in turn gained pervasive adoption of their technologies by appropriating only a single layer of the standards architecture and encouraging competition in other layers.

In reaction to such proprietary strategies, the open source movement relinquished control to maximize adoption. To illustrate this, we examine the rise of the Linux operating system from 1995-2001, particularly the motivations of organizational buyers and suppliers of complementary assets, and Microsoft’s reaction to its success.

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