

Platforms

What is it?

A platform is a half-organization, half-market structure that coordinates and stimulates transactions between producers and consumers of goods, services or media content. The platform is set up by one or more organizations that take advantage of the value created.

Platforms look like organizations in that they are most often companies or public bodies that create them. But unlike organizations, resources, activities and value are developed by producers and consumers situated outside the organization.

Platforms look like markets to the extent that value is created by independent agents who carry out "atomic" transactions (trade, services or sales on a piecework basis). But unlike markets, these transactions are organized and strictly controlled by an organization - which in a way plays the role of a "private market place".

To go further

Andrew McAfee and Erik Brynjolfsson, ***Machine, platform, crowd***, W. W. Norton, 2017.

David S. Evans and Richard Schmalensee, ***Matchmakers***, Harvard Business Review Press, 2016.

To guide your company

Platform Design Toolkit:
<https://platformdesigntoolkit.com>

"Dataification", key factor of success for platforms

The key factor of success for a platform is not the market fit between an in-house product and external buyers, but its ability to:

- **orchestrate a useful, fluid and efficient coordination** between many and varied third parties. This requires intensive data collection on the platform's players and their behavior (see *big data* and *IoT* memo cards), automation and scalability of information exchanges (see *web APIs* and *cloud* memo cards), excellence of the interfacing devices and channels (see memo cards on *web APIs* and *data visualization*), and fine management / governance of the rights and duties associated with the data (see *GDPR* and *blockchain* memo cards).

- **put learning mechanisms in place** that increase the value that platform users gain over time. This is made possible by data analysis (see memo cards on *IA*, *machine learning*, *graph mining*, *text mining*).

Do's

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| - Get the pricing mechanisms right for all parties (« revenue management ») | - Build trust between parties by developing reputation mechanisms (ratings between users) | - Make it easy to add free apps to your platform, as it increases the value for all parties, not just those interested in free apps. |
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Organizations that developed platforms

Dawex is developing a market platform for data, connecting data sellers and data buyers. The added value that Dawex brings to the players is the total control of the transaction, on a sensitive asset.

« Distribution » platforms: **Spotify, Netflix, Amazon, booking.com, Uber Eats ...** coordinate suppliers with customers, drawing their competitive advantage from flawless logistics, interfaces, and data-driven processes such as revenue management.

« Matching » platforms: **Facebook, Airbnb, Uber, Blablacar, LeBonCoin ...** provide a data-driven digital infrastructure enabling users to buy, exchange or communicate.