Platforms are the business model adequate to the digital age.

As intermediaries and infrastructures, they are positioned to capture and control data.
Adverting Platforms

Google

Facebook

Source: 10-Q and 10-K filings
Advertising Platforms

Imperative: to expand its data collection on users

Concerns about privacy will always take a backseat
Cloud Platforms

Provide the hardware, development tools, and software for other companies

Profit is dependent on renting out their platform

Amazon Web Services

Salesforce
(Industrial) Cloud Platforms

Industrial internet of things: connecting materials and factories to a local internet

Power lies with the platform providers of the industrial internet
Product Platforms

Transforms goods into services that can be rented

Spotify

Zipcar
Product Platforms

Rolls Royce rents thrust, rather than selling jet engines

Platform collects immense amounts of data
Uber, the world's largest taxi company, owns no vehicles. Facebook, the most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. Airbnb, the largest accommodation provider, owns no real estate.
Lean Platforms

Own as little as possible: virtually asset-less companies

Business sustained by outsourcing costs and through venture capital welfare
Which platforms are sustainable?
Uber is buying 24,000 cars. Facebook is spending $1 billion on original TV shows. Alibaba is spending $2.6 billion on physical stores. Airbnb is opening branded apartment buildings.
Are e-commerce monopolies turning into infrastructures?
How can we tame platform monopolies?
Google Acquisitions, 2010-2016

Source: CB Insights
Global Mergers and Acquisitions

<table>
<thead>
<tr>
<th>Top 5 Global Sectors</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>$600</td>
<td>$500</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$400</td>
<td>$300</td>
</tr>
<tr>
<td>Utility &amp; Energy</td>
<td>$300</td>
<td>$200</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$200</td>
<td>$100</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>$100</td>
<td>$0</td>
</tr>
</tbody>
</table>

In billions $0 $100 $200 $300 $400 $500 $600 $700

Source: Dealogic
Don’t be evil
<table>
<thead>
<tr>
<th>Policy</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition Policy</td>
<td>- What does ‘monopoly’ mean in the digital economy?</td>
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<tr>
<td></td>
<td>- How to maximise the benefits of platform monopolies while minimising their negative impacts?</td>
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<tr>
<td>Industrial Policy</td>
<td>- How can sustainable local platforms be supported?</td>
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<td></td>
<td>- How can innovation be fostered?</td>
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<tr>
<td>Trade Policy</td>
<td>- What are appropriate data sharing arrangements between countries?</td>
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<tr>
<td>Privacy Policy</td>
<td>- How to make collective use of data while maintaining individual privacy?</td>
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