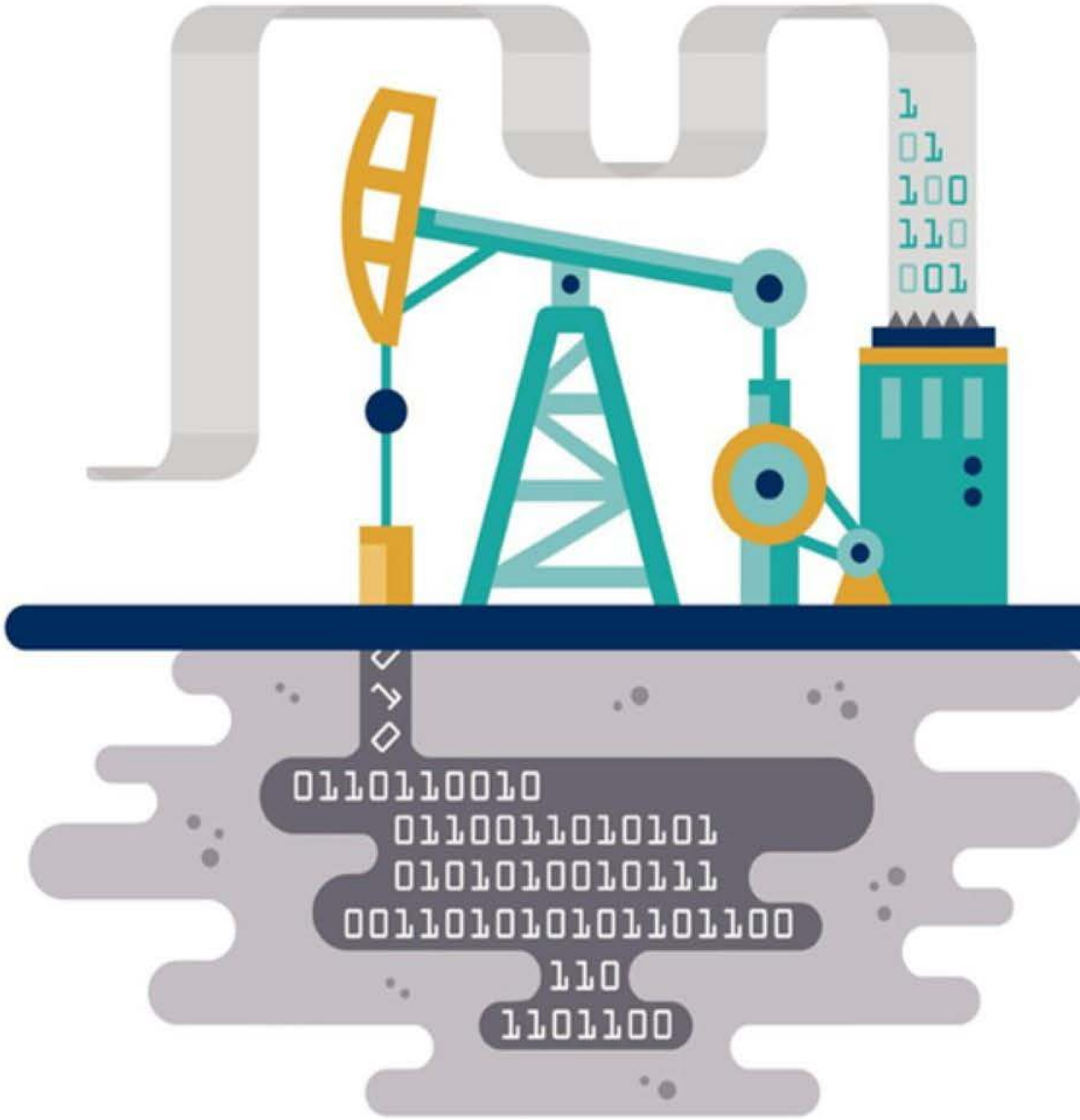
PLATFORM CAPITALISM

Dr. Nick Srnicek
King's College London

Platforms are the business model adequate to the digital age

As intermediaries and infrastructures they are positioned to capture and control data



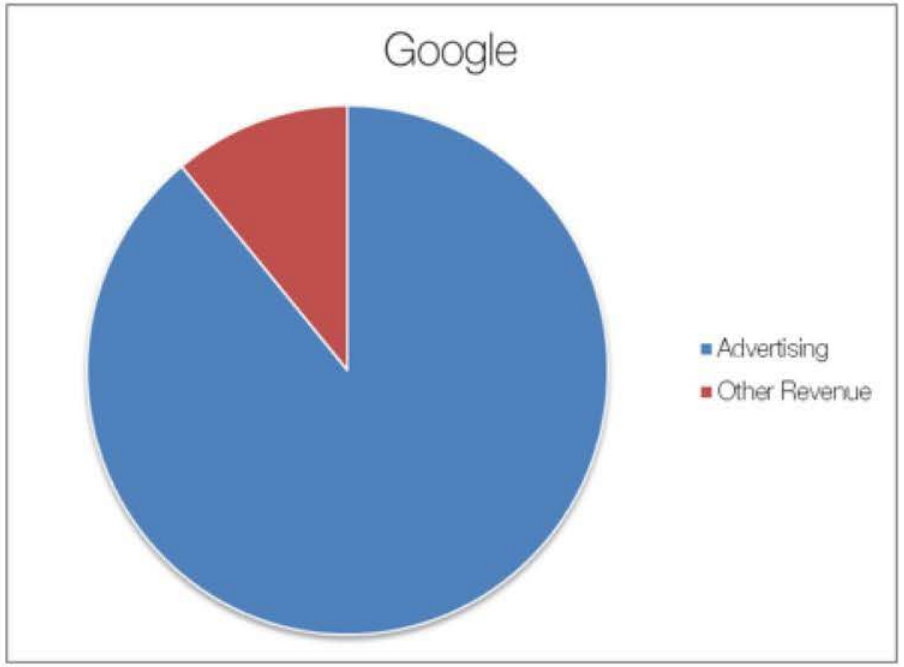
Advertising

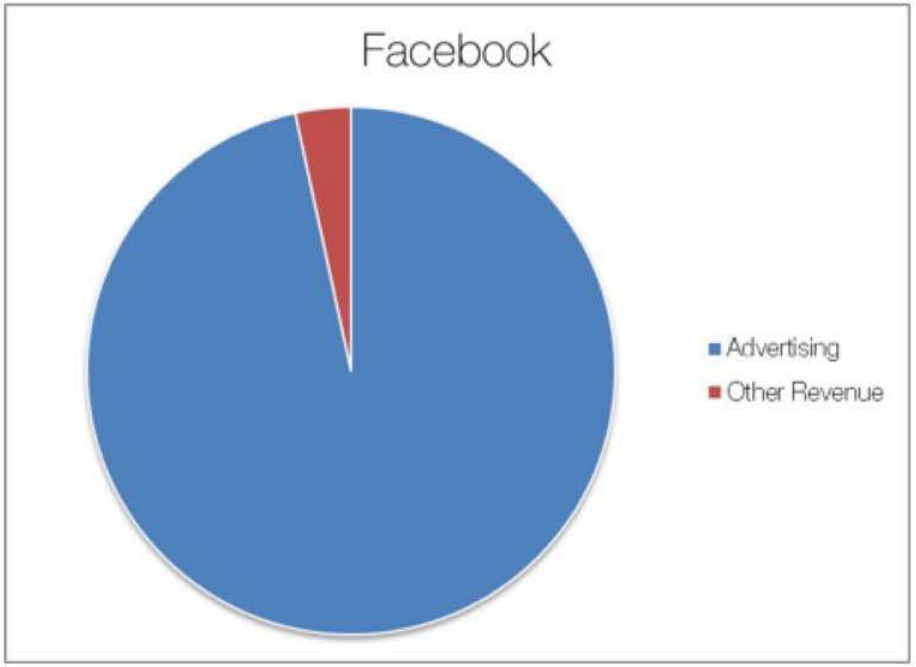
Cloud

Product

Lean

Advertising Platforms





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

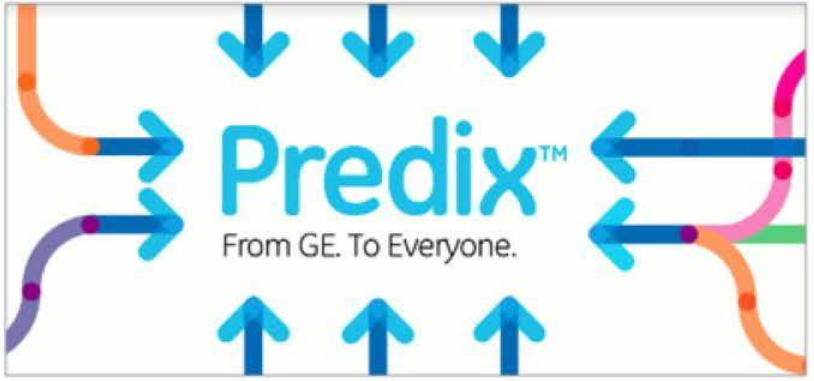
Cloud Platforms

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

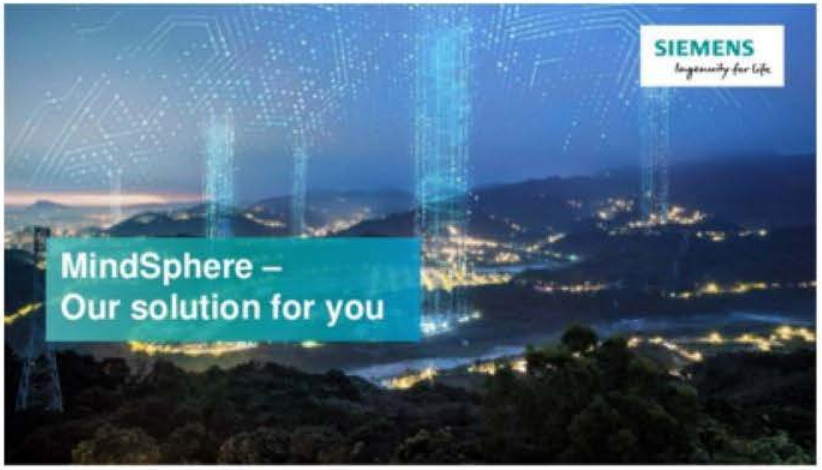
Profit is dependent on renting out their platform

(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

Product Platforms

Rolls Royce rents thrust, rather than selling jet engines

Rolls-Royce®

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?

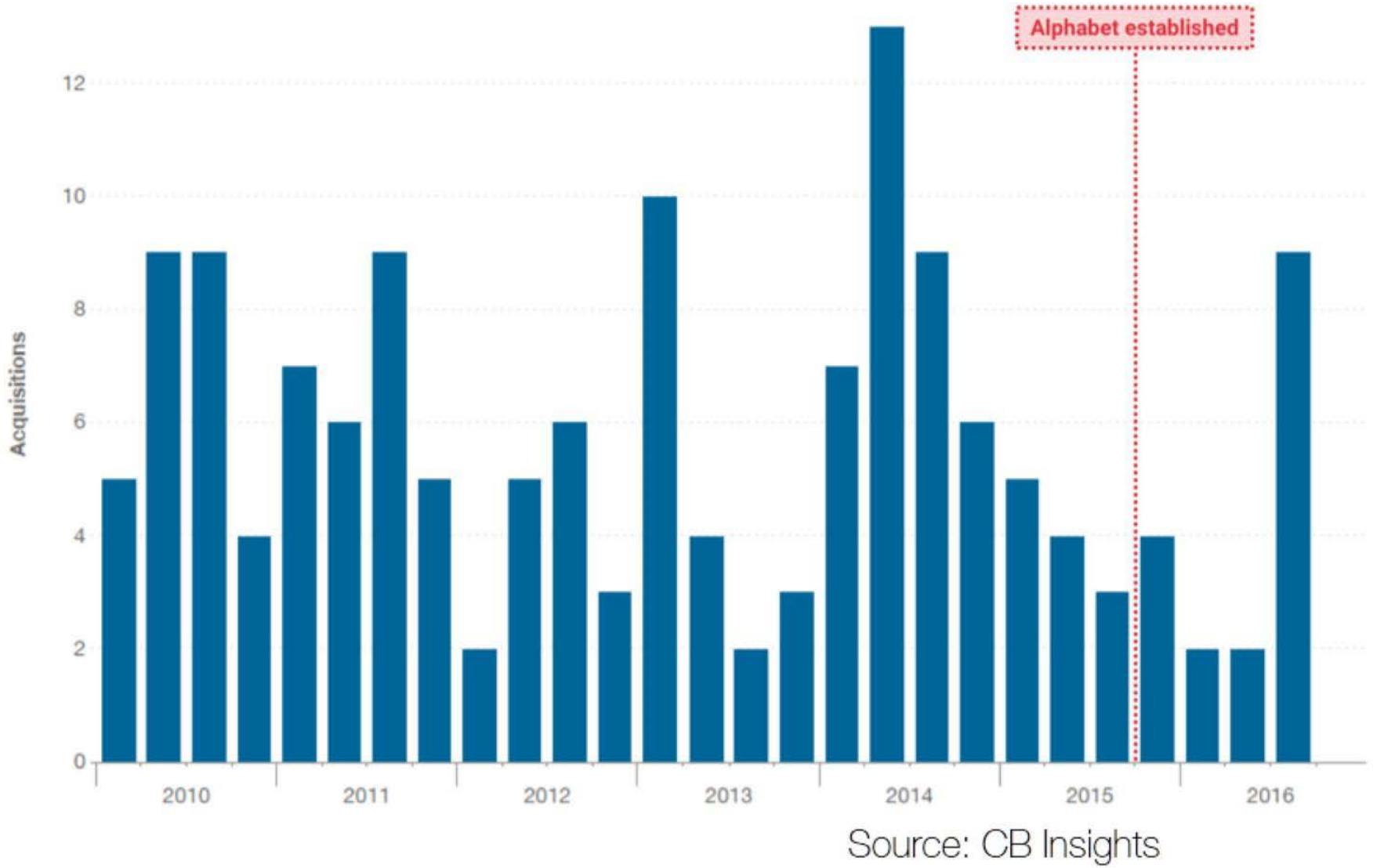
Prime Air
N1997A

750 lbs. BASE CAPACITY
DO NOT EXCEED LIMIT
2176

amazon
PrimeAir
amazon
PrimeAir

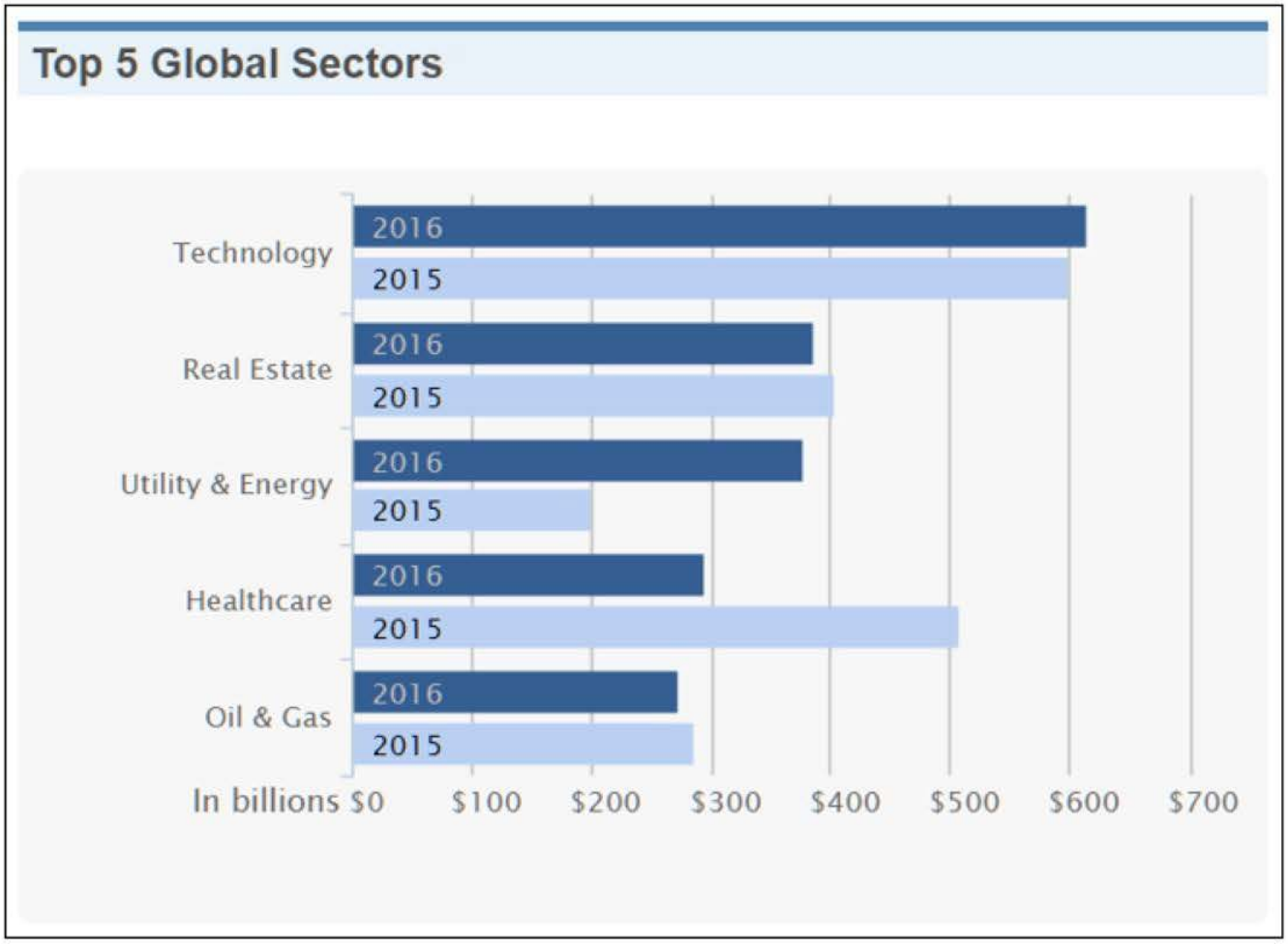
How can we tame platform monopolies?

Google Acquisitions, 2010-2016



Source: CB Insights

Global Mergers and Acquisitions



Source: Dealogic

Don't be evil

Competition Policy	-What does 'monopoly' mean in the digital economy? -How to maximise the benefits of platform monopolies while minimising their negative impacts?
Industrial Policy	-How can sustainable local platforms be supported? -How can innovation be fostered?
Trade Policy	-What are appropriate data sharing arrangements between countries?
Privacy Policy	-How to make collective use of data while maintaining individual privacy?