

ICLE Seminar

PLATFORM COMPETITION

2020. 2. 24

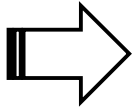
Similar or Different?

1

- So far well-known as
 - Google adopts open platform strategy, while Apple closed historically.
 - The platform's goal is to enhance its competitiveness.
 - taking advantage of indirect network effects ← Google
 - controlling quality of service ← Apple
- ➡ attract loyalty users as many as possible

Similar or Different?

2

- Each platform copies competing platform's strategy.
 - Google has many subsidiaries, say, hardware \Rightarrow partially closed
 - Apple music is on Android \Rightarrow partially open
 - Many kinds of services are available on internet.
 - Platform expands to multi-sided business model
 - Android and iOS, each has some major sub-platforms such as an app market, e-marketplace, OTT...
-  Platforms compete almost everywhere (even no national border), recently with AI and big data (data-driven market)

Big data matters?

3

- Now major platforms become not only a bottleneck but also a big data collector.
 - Bottleneck: powerful controller in its own ecosystem
 - Big data collector: advantage for enhancing quality of service, creating new biz...
- The power as a controller has a bad effect on users?
 - depends on degree of competition of platforms
 - Compete almost everywhere

Big data matters?

4

- Issue 1: Big data concentrated to a few platforms?
 - Issue 2: high level of entry barrier?
 - Issue 3: big data is essential facilities?
 - Issue 4: mitigating incentives for innovation?
-
- Can Korean platforms compete with global giant platforms or grow to be global ones?