Editorial

Platform businesses have dramatically reshaped the global economy. Their interconnected ecosystems facilitate interactions between consumers, developers and service providers and create new value. Companies like Amazon, Apple, Alibaba and Uber have led this transformation, expanding their platforms beyond their original offerings. In 2019, the top 43 publicly listed platform companies achieved nearly double the operating profits, growth rates and market capitalizations compared to the 100 largest traditional firms in the same sectors over a 20-year span, all while employing only half the number of workers. In 2024, Alibaba's two retail arms, Taobao and Tmall, are expected to reach over $1.47 trillion in third-party web sales, while Amazon is projected to account for 40.4% of the entire US e-commerce sales.

But where there is light, there is also shadow. On the one hand, various platforms such as Airbnb and YouTube offer unparalleled convenience and a wide range of goods and services at potentially lower prices, as well as employment opportunities, to millions of consumers worldwide. On the other hand, these powerful platforms raise privacy concerns, may lead to unfair terms for small businesses and developers, and can influence public opinion and behavior, posing risks to democratic processes and societal norms.

In this issue of the NIM Marketing Intelligence Review, leading scholars discuss opportunities as well as challenges around platform business. They cover prevention of commoditization and identification of the right level of decentralization on a platform. They also delve into how dominant platforms should be regulated and how to limit their surveillance and influence. Furthermore, key differences between Chinese and US digital platforms are highlighted, and social value creation is advocated as the core objective for responsible platforms. This is complemented by industry insights: Our interview with Julie Roth Novack, the CEO and cofounder of PartySlate, shows how to create value by connecting various parties in the event business with consumers.

As technology such as generative AI advances, innovations will keep popping up, and platform businesses will continue to evolve. Let's embrace these changes and leverage the power of platforms to better serve all the communities around the world.

Enjoy reading this issue!

Andrei Hagiu and Bobby Zhou

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