Digital Platforms: A Literature Review and Policy Implications for Development
Part I

Literature Review and Assessment Framework For Developing Countries
• Functional/Technical vs. Economic Definition
• Business Models
• Enabling Factors
• Competitive Dynamics
Digital Platforms: Technical/ Functional vs. Economic Definition

Functional/Technical definition:
- DP as a set of components used in common across a product family whose functionality can be extended to third parties.
- Little value to users without complementary products / services.

Economic definition:
- Digital platform is part of a production process.
- Related to the supply-chain, or multi-sided industry platform.
- Platform manager teams external resources from complementors.
Private Sector MSP Business Models

- Commission-based
- Subscription-based
- Advertisement-based (mobile advertisement +600% in China)
- Services-based
Digital Platforms Enablers (I): Physical and Behavioral

- **Evolutionary process mixing physical and behavioral enablers.** Physical enablers include digital infrastructure (broadband, fixed and mobile internet networks), consumer appliances, payment tools, geo-localization, cloud services, security, and ancillary enablers (e.g. distribution, logistics, intermediary goods).

- **Examples of behavioral enablers** include:
  - Consumers shift their core attitudes from buying goods to accessing services and “servitized” products (access-based consumption),
  - leading to a peer-to-peer economy where platforms increasingly mediate interactions,
  - coordinated by peer-based trust relationship.
  - Individuals casually participate in economic activities through privately owned resources (assets, labor), which would otherwise remain idle (collaborative consumption).
Digital Platforms
Enablers (II)
Digital Platforms
Enablers (III)
Alibaba and its ecosystem
Competitive Dynamics (I)  
Network Effects

• In two sided platforms, network effects arise when the attractiveness for one side increases as the number of customers on the opposite side of the platform increases.
• Two sided platforms reduce transaction costs (WDR2016).
• Winner takes all – Winner takes some.
Envelopment
Competitive Dynamics (II)
Competitive Dynamics (III)

Partnerships
Part II
A Research Agenda for Development
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| Definition of Digital Platform | Economic Definition of MSP | • Digital Consumer Behavior  
• Taxation policy |
|                         | Functional/Technical Definition | • GaaP  
• Government Platforms and Consumer behavior  
• Private sector displacement vs private sector crowd in digital government platforms |
| Enabling Factors        | Physical Enablers | • Broadband Development  
• Consumer Equipment  
• Distribution and logistics  
• Geo-localisation services  
• Digital payments  
• Cloud-based services and security |
|                        | Market Enablers  | • Peer-to-peer feedback  
• Long tail marketing  
• Multi-hominess  
• Critical mass effects  
• Servitized products  
• Collaborative consumption |
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<td>• Non-discriminatory access to the platform from third parties and in-platform services</td>
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Thank You
crossotto@worldbank.org