

A recent study of more than 250 business platforms revealed their four most common mistakes. One was the failure to develop trust with users and partners. The professors from Harvard, Oxford, and MIT who conducted the study advised, "...put trust front and center. Asking customers or suppliers to take a leap of faith, without history and without prior connections to the other side of a market, is usually asking too much of any platform business."²¹

To increase trust, they suggest, data on the performance of platform members must be transparent. That includes trust mechanisms such as user reviews. The platform operator is then responsible for validating that feedback—identifying the fakes—and computing easy-to-understand scores.²²

On business platforms, learning fosters trust and is a function of how well data flows through the platform. Chinese online retailer Alibaba, for example, gave new life to the small shops it brought onto its platform by exposing them to new customers. But it also freely shared data that helped those shops create closer bonds with their customers and improve their performance. As the authors of a 2019 *Harvard Business Review* article noted, when Alibaba bridged its retail with its payment platforms, it created a service valued by both buyers and sellers, "fostering trust between them."²³

Global brands have turned to Alibaba's Tmall Innovation Center to develop and design new products specific to Chinese consumer tastes. Major consumer brands have tapped into the shopping data from Alibaba's sprawling ecosystem to develop new and customized products for the Chinese market, from mouthwash to baby gear, candy to beer. Not all the action takes place online. With data from Alibaba, global brands are crafting marketing campaigns and deciding which neighborhoods to target. They can even utilize Alibaba's smart vending machines to give consumers an opportunity to sample new products and provide feedback in real time.²⁴

Platforms, respondents in virtually every industry tell us, are fast becoming a disruptive force. "At one time, low-cost carriers created a disruption in the airlines industry. Now, it is the transformation of airlines to become full retail platforms," says one COO in the US. "Digital will be thought of as a platform instead of a channel," notes a US banking CIO.

"We plan to give the clients in our ecosystem full access to data so they can do business with each other and learn about each other's skills and capabilities."

CEO, Financial Markets, France